Accountability in International Aid: The Case of Georgia

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Abstract

This thesis explores accountability in international aid to the Republic of Georgia in 2008-2009. Conceptualizing accountability as the obligation to manage the expectations of multiple stakeholders with often divergent interests, it challenges the common assumption that making aid more accountable per se will automatically lead to better aid. Instead, it argues that accountability relationships reflect power relationships; power influences which stakeholders' expectations are met, to what degree they are met, and what kinds of accountability demands by which stakeholders are viewed as legitimate and therefore entail an organizational obligation to respond.

After discussing the links between power and accountability in international aid, with particular reference to donors, NGOs and the Georgian government, the thesis proceeds to explore how power and accountability relationships have influenced the allocation, management and implementation of international aid in Georgia, focusing on the aftermath of the 2008 war between Russia and Georgia. Based on extensive fieldwork in Georgia during 2008-2009, the thesis examines the influence of power and accountability relationships on emergency relief operations, the composition of an international aid package worth USD 4.5 billion, donor involvement in formulating state policy on internally displaced persons and the subsequent donor-financed provision of housing to the displaced, and the provision of bulk food aid to conflict-affected Georgians.

This thesis concludes that accountability relationships in international aid reflect power relationships. As aid recipients wield little or no power over donors and NGOs, these aid providers often can (and do) ignore the expectations generated by this stakeholder group, instead giving priority to managing the competing expectations of more powerful stakeholders. Therefore, the widely observed lack of effectiveness of international aid is not due to an overall lack of accountability within international aid, as is commonly believed. Rather, aid is often ineffective at relieving human suffering and generating pro-poor development because aid providers are primarily accountable to powerful stakeholders with little interest in making aid more effective.

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Chapter One: Introduction

This thesis explores accountability in international aid to the Republic of Georgia in 2008-2009, arguing that accountability relationships in international aid reflect power relationships. This introductory chapter opens with an overview of the August 2008 Russian-Georgian war and the ensuing provision of billions of dollars in humanitarian and development aid by international donors. It then moves on to examine the supply side of aid, discussing the main theoretical approaches to the global aid industry in general before focusing in greater depth on the issue of aid and accountability. A subsequent section explores the political context within which this aid was received in Georgia, highlighting enduring patterns in the nation's long history of interaction with external great powers. After briefly discussing the research methodology used to explore the links between power and accountability in aid to Georgia, this chapter closes with an overview of the thesis as a whole.

The August 2008 War and its Aftermath

The Republic of Georgia and Russia went to war in August 2008, following weeks of escalating tensions in and around the self-declared republic of South Ossetia. The Georgian armed forces were decisively defeated on the battlefield within days and fled. Russian troops and local paramilitary forces assumed control of the entire territory of South Ossetia, a sizeable portion of which had previously been controlled by Georgia. Unopposed, the Russian army then pushed further south into Georgia proper, occupying the town of Gori and advancing towards the capital of Tbilisi. Meanwhile, in the west, Russian forces evicted Georgian troops from the Kodori gorge, a highland valley that was Georgia's last foothold inside the territory claimed by the self-declared republic of Abkhazia, and temporarily occupied several towns in western Georgia. While the conflict made headlines around the world, military engagements only lasted for several days and were generally limited to a small geographical area. Contrary to initial claims by both sides and early media reports[1], damage to infrastructure was minor and largely confined to the theatre of engagement (EC/WB 2008), and combined military and civilian fatalities added up to less than a thousand people.[2]

Nevertheless, the impact on Georgia was huge. Around 127,000 people fled the Russian advance and took refuge with relatives or in public buildings in the capital Tbilisi and other locations in Georgia.[3] Most of the displaced came from in and around Gori and were able to return home following the Russian withdrawal from the area several weeks later. In contrast, over 20,000 Georgians who had fled South Ossetian territory and the Kodori gorge were expected to remain displaced, adding to Georgia's over 200,000 long-term displaced from earlier conflicts in the 1990s (MRA 2010). Following the war, Georgia plunged from double-digit growth into deep recession as trade ground to a near halt, foreign investors fled, tax revenues plummeted, and the banking system teetered on the brink of collapse, threatening economic turmoil (UN/WB 2008). The Georgian government remained in power and the administration continued to function unimpeded, but the August 2008 episode had strongly shaken the leadership's credibility both at home and abroad, not least because a mounting body of evidence suggested that Tbilisi rather than Moscow had been the main instigator of the war.[4]

Western donors and aid organizations reacted quickly to the conflict. Initially, the US military took the lead in relief operations, putting uniformed US troops on the ground as a "humanitarian tripwire" to

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[1] "1,500 Reported Killed in Georgia Battle", NYT, 09 August 2008; "Georgia conflict: Screams of the injured rise from residential streets", The Telegraph, 09 August 2008; "Pensioners burned alive in a church and a baby stabbed to death - just some of the horrific stories from Georgia", Daily Mail, 12 August 2008; "Saakashvili Says Russia Hit Pipeline; BP Unaware", Civil Georgia, 12 August 2008; "An Uncertain Death Toll In Georgia-Russia War", Washington Post, 25 August 2008; "Saakashvili: 1,600 Houses 'Destroyed' in Buffer Zone", Civil Georgia, 17 October 2008

[2] "Official Interim Report on Number of Casualties", Civil Georgia, 03 September 2008

[3] "2011 UNHCR country operations profile – Georgia", UNHCR website. Available at: http://www.unhcr.org/cgi-bin/texis/vtx/page?page=49e48d2e6 (acc. 07 April 2011)

[4] "Georgia Claims on Russia War Called Into Question", NYT, 07 November 2008; "Georgia fired first shot, say UK monitors", Sunday Times, 09 November 2008; "British Monitor Complicates Georgian Blame Game", Wall Street Journal, 19 December 2008; "Missiles Over Tskhinvali", The National Interest, 20 April 2010; see also: Bruckner 2010a, Halbach 2009, Richter 2009.

deter further Russian advances (Hansen 2010). In order to signal continuing support for Georgia and its government, and to boost economic confidence, the Bush administration announced a one billion dollar American aid package in early September 2008 (TIG 2008g). During a conference held in Brussels the following month, international donors pledged a total of 4.5 billion dollars in aid over a three year period (TIG 2008e). This donor largesse towards Georgia was remarkable. The total amount pledged was huge for a middle-income country of just over four million inhabitants that had suffered little direct war-related damage. In fact, the 4.5 billion pledged exceeded Georgia's needs – as identified by an official assessment preceding the conference (UN/WB 2008) – by a full billion dollars (Hansen 2010). Furthermore, donors' initial pledges were subsequently honoured by actual disbursals, which is unusual in international aid.[5]

How well would these donor billions be spent? Critics charge that the overall track record of international aid in fostering economic development, reducing poverty and alleviating human suffering is chequered at best, claiming that aid is frequently misallocated, wasted or lost to corruption (Chin 2007, Cooksey 2004, Easterly 2006, Hancock 1994, Maren 1997, Moyo 2009, Theroux 2002). Responding to the recent emergence of aid effectiveness as a major item on the global aid and development agenda, donors signed up to the landmark 2005 Paris Declaration on Aid Effectiveness (HLF 2005) and the 2008 Accra Agenda for Action (HLF 2008). Both documents reflect current conventional wisdom in aid circles, which holds that the effectiveness of aid in relieving human suffering and achieving positive development outcomes hinges on the degree to which it is accountable. For instance, the Accra Agenda explicitly states that "[t]ransparency and accountability are essential elements for development results" (HLF 2008:Point 24; see also HLF 2005 and DOS/USAID 2010). Further downstream, United Nations agencies and non-governmental organizations (NGOs) have made similar commitments with regard to their own operations, notably to enhance their accountability towards individual aid recipients (TIG 2009h). The recent enthusiasm for accountability in the aid industry's public pronouncements raises some important questions. Who is accountable to whom, when, where, why, how, and for what? How is accountability defined and conceptualized, and by whom? How do power relationships influence accountability relationships? How do donors' and NGOs' formal commitments to become more accountable influence their operations on the ground? Drawing on the literature on accountability and international aid, and on empirical data from Georgia, this thesis argues that the widely postulated causal link between overall aid accountability and aid effectiveness is oversimplified and deeply misleading both in theory (Chapter Two) and in practice (Chapter Three), not least because it obscures the role of power.

Most of the donor billions for Georgia were tagged for large scale infrastructure projects, macroeconomic stabilization and budget support, with additional funds set aside for social and humanitarian purposes (UN/WB 2008, TIG 2008e). This thesis will analyze power and accountability relationships in international aid to Georgia, using case studies carefully selected to cover a wide variety of aid interventions in terms of type, scale, and the players involved. The empirical part of the thesis explores the links between geopolitical interests, emergency relief operations and macro-level aid packages (Chapter Four), discusses the donor-financed construction of durable housing for around 18,000 newly displaced people by the Georgian government (Chapter Five), and analyzes bulk food aid, which was financed by donors, managed by the United Nations, and distributed by four international NGOs (Chapter Six).

Drawing on the academic literature and a wealth of empirical data, this thesis will discuss accountability in international aid to the Republic of Georgia during 2008-2009. The geographical scope of this thesis is limited to the government-controlled parts of the Republic of Georgia, and therefore excludes the separatist entities of Abkhazia and South Ossetia.

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[5] Personal email communication with Caitlin Ryan, IDP Shelter Expert, Transparency International Georgia, January 2010; see also TIG 2008c:4. Due to the involvement of dozens of donors and insufficient information in the public realm, comprehensive tracking of all pledges and disbursals is impossible in practice (see Bruckner 2010d). The United States in February 2010 announced that it had fully met its pledge. See: "Completion of the $1 billion pledge", USAID Georgia press release, 05 February 2010 http://georgia.usaid.gov/node/52 (acc. 23 March 2011)

The Global Aid Industry

According to estimates by Easterly and Pfutze (2008:23), the aid industry currently spends around USD 100 billion per year. Nevertheless, international aid accounts for only around ten percent of resource transfers to developing countries (Ritzen 2005:19). Bolton (2007) distinguishes between three types of aid sources. Multilateral donors, a category that includes the World Bank, the United Nations and the European Commission, are funded by taxpayers and spend around USD 25 billion per year (Bolton 2007:130). Bilateral donors account for the lion's share of aid transfers. They spend their money on four different kinds of activities: consulting, buying and building, financial transfers to recipient governments, and funding NGOs (Bolton 2007:101). Relief and development NGOs are the third type of aid source. Depending on the donor country, bilateral donors funnel between half a percent and eleven per cent of their spending through NGOs; the US in 1998 was thought to spend eight percent of its official development aid in this way (van Rooy and Robinson 1998:34). In addition to receiving bilateral donor funds, NGOs currently collect around USD 11 billion in private donations every year (Bolton 2007:82). Anheier (2005:329) estimates that the combined expenditures of the ten largest international relief and development NGOs in the 1990s were the equivalent of half of US government aid. All these figures must be treated with caution. Data on international aid is often fragmented, incomplete and incompatible, and the estimates given by different sources vary widely (Aidinfo 2008a).

There are three main strands of thinking about development. In the mainstream view espoused by the aid industry, development is an unquestionably good thing, an uncontested goal shared by mankind as a whole. In this view, the key challenge facing development is to craft appropriate management strategies, tools and technologies to make development work in practice (Ferguson 1990). Radical critics challenge this mainstream understanding of development. In their view, much poverty and human suffering is due to deep structural factors, notably an exploitative global capitalist economic order and unequal political arrangements; the interests of the poor may be diametrically opposed to those of the rich. The aid industry's technocratic discourse masks the power relationships causing and perpetuating "underdevelopment" even as its practitioners design interventions that serve to further the interests of dominant elites by deepening global capitalism (Escobar 1995), extending the power of local elites (Ferguson 1990), and controlling and co-opting social movements opposed to the status quo (Robinson 1996). A third strand of thinking about development criticizes both the aid establishment and its radical critics for the structural determinism of their theories. Writers like Mosse (2001, 2004, 2005) and di Puppo (2008) seek to restore agency to the different players in aid interventions by examining how individual players pursue often divergent interests on the ground, while maintaining an illusion of coherence through the use of a shared development discourse.

The current academic debates about the nature of aid and donor-NGO relationships often appear disconnected. Under the intellectual leadership of the World Bank, the aid industry continues to seek technical solutions to make development work in practice, largely ignoring its radical critics. Meanwhile, the critics themselves often seem driven more by theory-building aspirations than by empirical data. For example, Escobar (1995) postulates that deepening global capitalism will inevitably lead to anti-poor outcomes while largely disregarding the extensive literature that argues that this premise is flawed, citing data that strongly suggests that global poverty has been decreasing for decades (for an example of this view, see Sachs 2005). Robinson's (1996) arguments about democracy promotion are fascinating and well documented, but he seems to select his empirical material to bolster his sweeping claim that US democracy support invariably works against the interests of the poor, rather than attempting a more balanced approach grounded in the wider literature on donor-funded democracy programming (for an example of the latter, see Carothers 1999). Ferguson's (1990) classic on development is based on an in-depth anthropological examination of one aid intervention, and contains a wealth of field data. However, in putting forth his central thesis of aid as a tool to extend the power of the state, Ferguson fails to engage with the literature that argues that from the structural adjustment programmes of the 1980s onwards, the primary effect of aid has been to reduce the power of states in the poorer parts of the world, or to displace the state (ICG 2009). Mosse (2004, 2005) arguably best bridges the chasm between practitioners and radical critics, but as his level of analysis is commonly restricted to individual projects in the field, he has little to say about the workings of the aid system at higher levels.

There is general consensus amongst observers that the amount and proportion of overall aid administered by NGOs has increased significantly since the widely publicized Ethiopian famine of 1984-1985. This growth reflects a rise in funding from bilateral donors as well as an increase in private donations by individuals in rich countries. During the 1990s, private donations to aid and development NGOs more than doubled from USD 4.5 billion to 10.7 billion. According to Anheier (2005:331), bilateral funding for NGOs rose in the 1980s, but then fell from USD 2.4 billion to 1.7 billion between 1988 and 1999. (It may have risen again since the millennium.) The share of NGO income provided by bilateral donors stood at about 30% in the mid-1990s, compared to a mere 1.5% in the early 1970s. This rough 30% estimate hides large variations between NGOs; while American aid and development NGOs received two thirds of their funding from governmental sources on average, the share of governmental funding in the finances of the largest five NGOs in the UK varied between 20% and 55% (Hulme and Edwards 1997:6-7). After 25 years of funding increases, some established NGOs now have a turnover approaching one billion dollars a year, more than that of many small bilateral donors. At the same time, the number of international NGOs working in aid and development has grown; Hulme and Edwards (1997:4) estimate that their number nearly doubled from 1,600 to 2,970 between 1990 and 1993 alone. While all of these figures should be treated with caution – there is no central international registry for NGOs – the overall trends of the last 25 years are clear. First, while NGOs collectively continue to command less resources than multilateral or bilateral donors do, their resources are growing in both absolute and relative terms. Second, the increase in available resources has enabled many established NGOs to grow strongly in size. Third, a large number of new NGOs have entered the field. Fourth, despite strong variations between countries and NGOs, the share of governmental funding in NGO finances has risen significantly overall.

Academic discussions on donor-NGO relationships mirror the three theoretical approaches to development as a whole. Mainstream thinking focuses on the principal-agent problems inherent in donor funding of NGOs. Postulating that all actors involved – donors, NGOs and poor people – have a common interest in achieving development, theorists and practitioners seek out ways to structure donor-NGO relationships so that NGO-managed interventions on the ground more effectively achieve developmental goals. In contrast, radical critics warn that donors are depoliticizing NGOs and turning them into mere implementation tools for their own policies. In this view, as NGOs' dependence on donor funding increases, they shun controversial political advocacy and stop challenging the political and economical root causes of poverty. NGOs lose all independent agency and finally wind up being nothing more than extensions of the donor bureaucracies who bankroll them (Robinson 1996:96, Smith 1990:178). Meanwhile, writers taking an organizational approach look at how development plays out in practice as all actors involved – including individual aid recipients – pursue their often divergent interests within the same development interventions. Observers in this school of thought see NGOs neither as selfless angels devoted to serving the poor, nor as (sometimes unwitting) puppets of donors with hidden agendas, but as organizations that primarily serve the self-interests of the people who work for them by pursuing organizational continuity and growth (Smillie 1996:105, Rieff 2008:3, Edwards and Hulme 1996:968). In this view, the outcome of the principal-agent relationship between donors and NGOs is neither total donor dominance nor complete NGO independence. Rather, donors, NGOs and local stakeholders each pursue their own objectives while using a unified development discourse to maintain a veneer of common interests (di Puppo 2008, Mosse 2004 and 2005).

Accountability and International Aid

The concept of accountability offers an entry point for bridging the current divide between these rival camps of development theory by opening questions of power within aid up to empirical enquiry. Historically, scholarship on accountability has revolved around two themes. The first and more widely discussed theme is how rulers can be prevented from abusing their powers once they have ascended to positions of power (Posner 2004), particularly within democratic political systems (for example, see Jain 1989 and John Dunn 1999). The second theme is related to the principal-agent problems inherent in estate management (Taylor 1996:59), where owners face the problem of ensuring that managers pursue owners' interests rather than their own. Both themes are highly relevant to international aid in general, and to NGOs in particular. An NGO may be a very powerful actor inside a refugee camp; how can it be prevented from abusing its powers? A donor grants project funds to an NGO; how can the donor ensure that the NGO pursues its interests in refugee camps far from the

capital and honestly manages public resources? Dwivedi and Jabbra (1989:5) attempt to integrate both themes in one single definition, stating that accountability is "a strategy to secure compliance with accepted standards and as a means to minimize the abuse of power and authority". Romzek and Dubnick (1987:228) criticized such conventional understandings of accountability as being too "limited, direct and mostly formulaic". They called on scholars to place the existence of multiple claimants for accountability with diverse – and sometimes conflicting – demands at the centre of a new, broader understanding of accountability. According to them, accountability should be recast as the obligation to "manage the diverse expectations generated inside and outside the organization" (1987:228).

Debates about accountability traditionally centre on control of the powerful (theme one) and/or control by the powerful (theme two). While accountability thus would seem to have some connection with power, the definitions cited above do not take into account how accountability relationships and power relationships may influence each other. For example, Dwivedi and Jabbra's (1989) definition mentions "abuse" without acknowledging that the dividing line between use and abuse may be drawn differently by different players, and it speaks of "venality" without allowing for the possibility that the term may be contested. When the perceptions of multiple stakeholders are at odds, how will power relationships shape definitions of what is abusive, and what is venal?

And who has the power to determine the contents of "standards" (Dwivedi and Jabbra 1989) and bestow the mantle of acceptance upon them? Romzek and Dubnick's (1987) conceptualization of accountability equally leaves open questions of power. Faced with an array of conflicting demands by different stakeholders, will an organization give priority to the demands of more powerful stakeholders, and brush off demands by others? Studying how accountability is defined and enacted in international aid provides a promising entry point for exploring power relationships within the aid industry; vice versa, empirical observations on the links between power and accountability in aid to Georgia will generate data that may lead to a better understanding of the relationship between power and accountability on a theoretical level.

Post-war Georgia provides a fascinating case study for accountability in international aid. In contrast to most post-conflict settings, Georgia had a functional, reasonably competent and (arguably) democratically elected government throughout the crisis. Equally unusually, its population is almost universally literate and access to television, radio and telephones is widespread (Bruckner 2010b, Bruckner 2010d). In addition, the Georgian media is probably quite competent and free compared to that found in most post-conflict settings, opposition political parties are vocal in their criticisms of the government, and domestic think-tanks and watchdog organizations operate freely (Bruckner 2010d). All these factors make Georgia a best-case scenario for achieving accountability in aid in three respects. First, the presence of a legitimate and functional government and the existence of democratic institutions provided donors with an excellent opportunity to make good on their commitments to increase the accountability of aid towards recipient nations. Second, individual aid recipients' literacy and access to the media and telephones offered aid providers the opportunity to inform and render account to the people they were serving to a greater degree than would be feasible in most contexts. Third, political pluralism, a comparative free media and a large number of local NGOs would seem to constitute a promising domestic accountability landscape, which is particularly relevant as a sizeable portion of donor funds was directly channelled through the state budget (see Chapter Four).

Surviving Georgia's Foreign Overlords

As Georgians habitually interpret the present with reference to the past, local understandings of the small nation's history of encounters with more powerful outsiders have strongly shaped Georgians' interactions with the global aid industry. Between the end of a 'Golden Age' of unified political strength and cultural flowering in 1236 and today, the territory currently claimed by Georgia was repeatedly invaded by Mongol, Ottoman, Persian, Russian and other armies (Suny 1989). More often than not, Georgians' overlords were non-Georgians, and the area was frequently incorporated into greater empires. In 1801, Russia deposed the royal family and within a decade annexed much of what is Georgian-claimed territory today, installing a Russian-led administration locally resented for its misrule and corruption (Lang 1962:78). With the exception of a brief interlude in 1918-1921, Georgia remained under the rule of St. Petersburg and Moscow until the collapse of the Soviet Union. As

understood by many Georgians, their history from the eclipse of the 'Golden Age' right up to the present day is the epic of a small but noble people that has managed to preserve its unique ethnicity, culture, language, alphabet[6] and (Georgian Orthodox) religion despite all efforts by hostile outsiders bent on conquest, domination, assimilation and conversion. Importantly, this near-miraculous continuous survival of a "recognizable Georgian culture" from the twelfth century (Suny 1989:39) to the present day was not achieved through victories on the battlefield. Georgians were time and again forced to submit to far more powerful outsiders. Two key strategies ensured their survival against all odds. First, with open rebellion rarely a realistic option, Georgians waved the conquerors' flags in public while fiercely guarding their cultural identity in private. Second, they made the best of the situations that were forced upon them by – in the words of a long-term expatriate - "ripping off the invaders".[7] These twin strategies of public compliance and private subversion guided much of Georgian behaviour during the Soviet period and the subsequent period of dependency on Western aid.

During Soviet times, Georgia became one of the richest constituent republics of the USSR. Georgia flourished in the Soviet system due to four reasons. First, the country benefited from its geographical location. The mild climate enabled the production of fruit, vegetables, and quality wines in high demand in Russia, while mass tourism on the Black Sea coast and in the Caucasus mountains created significant inflows of resources. Second, like much of the southern periphery of the Soviet Union, Georgia was heavily subsidized by the Slavic core. Despite the existence of formidable top-down controls on paper, a significant part of these central subsidies was diverted, and local managers often did their utmost to minimize resource flows back to Moscow (Wheatley 2005). In 1970, Georgian private savings accounts were on average twice the size of those elsewhere in the Soviet Union (Suny 1989:304).[8] Third, for most of the Soviet period, Georgians had disproportionate influence in Moscow. Influence came partly through eminent Georgian politburo figures such as Stalin, Beria and Shevardnadze, partly through Georgians' access to scarce agricultural produce, in particular wine and brandy, which – given privately as 'presents' – were used to persuade officials in Moscow to lend Georgian petitioners a sympathetic ear (Ekedahl and Goodman 1997:279, Suny 1989:287). Fourth, control over a Soviet republic of their own enabled Georgians to use the state apparatus to privilege their co-ethnics in the allocation of opportunities, jobs and resources. By the 1970s, Georgia had a higher percentage of its population in further education than any other republic (Suny 1989:304). While commercial life had traditionally been dominated by outsiders, especially ethnic Armenians,[9] Georgians used their political clout to shift an increasing share of the economy into Georgian hands. "Local political control and ethnic favouritism led to the growth of a vast network of illegal economic operations and exchanges, which produced great private wealth for some Georgians while their republic grew insignificantly according to official statistics" (Suny 1989:304).

Reflecting on the ways in which Georgians successfully achieved relative prosperity in Soviet times is important. Hard work[10] or frugality were not the main sources of Georgia's wealth (Suny 1989). Rather, the comparative affluence of the little republic was largely based on social networking, creative accounting, informal lobbying, and rent seeking behaviour (Mars and Altman 1983) – in other words, aspects of what most Westerners would label 'corruption'. The four factors underpinning Georgian wealth in the Soviet system can also be seen at work in contemporary interactions between Georgians and the international aid system. Georgia's location between Caspian oil producers and western markets has raised its international profile and generated substantial resource inflows. Georgia remains significantly subsidized by external patrons, whose elaborate reporting requirements and anti-corruption safeguards are generally complied with on paper but are often circumvented in practice. Two out of three post-independence presidents – Eduard Shevardnadze and Mikhail

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[6] The alphabet was created in the fifth century with the aim of countering foreign influence and preserving Christianity in Georgia (Suny 1989:39).

[7] Conversation with an expatriate resident who has been living and working in Georgia since 2001 and is married to a Geogian citizen, Tbilisi, 2006.

[8] It can safely be assumed that these large savings were not due to outstanding frugality (Mars and Altman 1983).

[9] Armenians are generally acknowledged – by most Georgians and foreign observers alike – to be more hard-working and "businesslike". Georgians frequently stereotype Armenians as greedy and tight-fisted.

[10] This theme regularly crops up in travellers' accounts over the centuries, right up to the present day. Suny (1989:76-77) points out that rural conditions generally made accumulation unattractive, and that there was no Georgian commercial middle class that could have developed a Weberian work ethic. (See also Gorski 1993.)

Saakashvili – had high levels of access to western corridors of power. Political power continues to be used to generate substantial private wealth (Papava 2008).

After gaining independence in 1991, Georgia was led by Zviad Gamsakhurdia, an ultra-nationalist with no previous experience in practical politics. Soon after, a chaotic civil war led to state collapse (Goltz 2009). Economic activity ground to a near-standstill due to fighting, violent crime, the breakdown of electricity supplies, and the widespread looting of factories and infrastructure. Hyperinflation, which peaked at 8,400% in 1993, hugely benefited a handful of key players while wiping out all personal savings (Christophe 2004:8-12). Gamsakhurdia was soon ousted, but his successors also struggled to stabilize the country. They invited back former Soviet foreign minister Eduard Shevardnadze, a career politician who in the 1970s had been First Secretary of the Georgian Communist Party, to head the government. Several observers have speculated that a key reason for why Shevardnadze was chosen was that his high international profile and reformist credentials were expected to put Georgia on the international map and attract substantial foreign aid inflows (Christophe 2005:10, Ekedahl and Goodman 1997:283). Shortly afterwards, the autonomous republic of Abkhazia declared its independence from Georgia, leading to bitter fighting and the internal displacement of around 200,000 ethnic Georgians in 1993 (Goltz 2009).

The global aid industry entered Georgia in force in the aftermath of the Abkhaz declaration of independence to prevent the disintegration of the state and to deliver emergency aid. For several years, the per capita aid that Georgia received from the U.S. was second only to that of Israel (di Puppo 2004:48). In 1997, foreign credits and grants accounted for 57% of the state budget; at the same time, Georgia's per capita GDP stood at less than six hundred dollars, less than that of some African countries. Hundreds of thousands of Georgians went abroad in search of a better life, making their country the third-largest per capita source of migrants in the world (Christophe 2004:8-10). Christophe (2004) convincingly argues that the conventional view of Georgia under Shevardnadze as a 'failed state' is flawed. While the Georgian government adopted a 'weak state' discourse in its dealings with foreign donors, this hid the fact that the state was actually perfectly capable of achieving its true aim, which was to aid and abet the self-enrichment of its political masters and their allies. Christophe (2004:10) characterizes Shevardnadze's rule as "a self-destructive social order that was incapable of self-reproduction and therefore highly dependent on permanent input of external resources". The government's lack of policy and frequent reshuffles were deliberate ploys to "generate power by controlling the sources of insecurity" (2004:22). Severe economic mismanagement only further consolidated Shevardnadze's grip on power by giving the state machinery a near-monopoly position as provider of resources and patronage (2004:17).

When donors attempted to channel resources through Georgian NGOs instead of through the government, they encountered similar behavioural patterns. Partly due to the Soviet legacy of social atomization, single-party rule, centralized decision-making and top-down service delivery, few LNGOs existed in Georgia in the early 1990s, but their numbers rapidly increased as people began forming organizations in order to tap into international funds[11] (Wheatley 2005). While LNGOs' genesis, characteristics and behaviour were far removed from the type of issue-driven grassroots association often thought to lie at the heart of 'civil society' in Western capitalist societies (Putnam 1993), LNGOs adopted the 'civil society' discourse that donors wanted to hear. While LNGOs superficially complied with donor demands for accountability, they regularly managed to maximize benefits to themselves and their staff (Bruckner 2004). Interestingly, the Soviet system and the aid industry share important features when seen from a Georgian perspective. Both were dominated by outsiders whose commitment to Georgia as a nation was uncertain at best, and who legitimized themselves with reference to their altruistic motivations while their leading staff enjoyed considerable perks and benefits. Moscow and Washington alike provided substantial resources, engaged in central planning from afar, and tried to secure compliance through bureaucratic reporting systems. Seen from a Georgian perspective, the continuation of the long-standing twin strategy of superficial obedience and parallel hidden resistance (Scott 1985) to powerful foreign overlords was entirely rational.

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[11] This phenomenon was not uniquely Georgian; similar explosions in LNGO numbers in the wake of donor interventions have been observed throughout the developing world (for example see Edwards and Hulme 1996:962, Wood et al 2001:31).

The once plentiful financial support for the government declined steeply towards the end of Shevardnadze's reign as donors tired of what they saw as a thoroughly corrupt and incompetent regime (Papava 2006). At the same time, the Georgian government's attitude to aid also changed. While Shevardnadze's power consolidation was initially aided by aid inflows, Western aid came to pose a growing dilemma for his government from the late 1990s onwards. On the one hand, Georgia's rulers needed the money – which included direct government-to-government aid – to maintain their power domestically, and to maintain some measure of independence from Moscow, which was supporting the hostile separatist regimes in South Ossetia and Abkhazia. On the other hand, it gave donor agencies some leverage over policy, which they used to pressure Shevardnadze to tolerate a still free media and vocal opposition, and to pay some respect to the procedural aspects of democracy (Anable 2005, Christophe 2004, Mitchell 2009, Papava 2005, Vasadze 2009, Wheatley 2005). When donor-funded LNGOs became increasingly vocal in their criticisms of the government, Shevardnadze publicly denigrated them as "grant eaters" beholden to foreigners, devoid of democratic legitimacy, and intent only on living the good life on dollar-denominated salaries.[12] By the time of the revolution in 2003, the NGO sector and the government were squarely opposed to each other (Anable 2005).

The peaceful 'Rose Revolution' of December 2003 toppled Shevardnadze and brought to power Mikhail Saakashvili, a "populist" Western-educated lawyer who had briefly served as Minister of Justice in 2000-2002.[13] Interpretations of the 'Rose Revolution' differ. Moscow saw the revolution as a US-orchestrated coup spearheaded by externally funded LNGOs and media outlets (Bruckner 2010a). Areshidze (2007) also characterizes it as an illegal coup that lacked broad democratic legitimacy, but maintains that it was domestically driven. Christophe regards the revolution as a sham largely staged to keep external resources flowing in, noting that the revolution brought to power a "former crown prince" of Shevardnadze's who at the same time was ideally suited to extracting the maximum possible support from the United States, Georgia's biggest aid benefactor (2004:28). Meanwhile, the new leadership excelled in portraying itself to Westerners as democratic, free market and pro-Western, while in fact curtailing democracy and distorting markets for private gain (DiPuppo 2005, DiPuppo 2008, Papava 2006, Papava 2008, Rukhadze and Hauf 2009). Donors immediately stepped up government-to-government aid, and both international and local NGOs struggled to maintain operations as donor funds were redirected to state coffers (Esadze 2004).[14] The Bush administration in particular became heavily invested in Georgia, which it proclaimed a major foreign policy success (Hagel 2004:9). Areshidze (2007) claims that the US State Department actively tried to suppress bad news from its embassy in Tbilisi so that the image of its "star pupil"[15] would remain unsullied. A violent crackdown on peaceful protesters in November 2007 severely damaged the government's democratic credentials at home and abroad, and some donors – especially in Europe – began to grow weary of the Georgian leadership.[16] However, in the aftermath of the August 2008 war, donors set their doubts aside and pledged to provide 4.5 billion dollars in aid to Georgia over the following three years.

Research Methodology

The original fieldwork plan was to collect data primarily through a series of interviews inside Georgia during the latter half of 2008. This interview data was to be triangulated through the desk review of aid industry documents, and through participant observation of aid processes while working as a consultant and volunteer with a large number and wide range of aid organizations. The August 2008 war, which erupted just before fieldwork was scheduled to begin, changed the aid landscape in Georgia in three ways. First, overall aid flows from institutional donors greatly increased, especially regarding aid earmarked for internally displaced persons (IDPs). Second, the launch of emergency

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[12] "Civil Society Builds Terror in Shevardnadze's Mind", Civil Georgia, 09 May 2002
[13] "Profile: Mikheil Saakashvili", BBC News, 25 January 2004. Available at: http://news.bbc.co.uk/1/hi/world/europe/3231852.stm (acc. 10 April 2011)
[14] The author was working in the aid industry in Georgia during 2002-2004. The post-revolutionary shift in donor priorities in 2004 was strongly felt by NGOs, and was a staple topic of discussions by aid workers and political analysts at the time.
[15] "The EU's six ex-Soviet 'Eastern Partnership' nations", EUbusiness.com, 07 May 2009. Available at: http://www.eubusiness.com/news-eu/1241714821.63 (acc. 10 March 2010)
[16] "Georgia under state of emergency", BBC News, 8 November 2007. Available at: http://news.bbc.co.uk/1/hi/world/europe/7083911.stm (acc. 10 March 2010)

relief operations broadened the range of aid interventions in Georgia, which over the last 15 years had been almost exclusively focused on rehabilitation and longer-term development programming. Third, the rapidly evolving political, economic and humanitarian situation led to a steep increase in the workload of government, donor and NGO officials involved in aid processes; as a result, potential key informants were generally too busy to participate in formal interviews.

In order to take into account these major changes in the research environment, I adjusted the fieldwork plan in late August 2008. First, in order to be able to conduct formal interviews without time pressure, the fieldwork timeline was extended from six months to nearly a year; I conducted research in Georgia from late August 2008 until early June 2009. Second, during August and September 2008, I volunteered my services as a writer of public relations stories with three international NGOs, none of which I had previously worked with. At a time when few NGO workers had time for formal interviews, this enabled me to greatly expand my existing network of informants inside NGOs and conduct informal interviews with aid workers, for example during the 'windscreen time' provided by car journeys to and from IDP shelters. Concurrently, it enabled me to engage in participant observation of aid processes, especially regarding NGO-beneficiary interactions. Third, in September 2008, I took up an offer to collaborate with Transparency International Georgia (TIG), an organization that I had already briefly worked with in 2004. This involvement with TIG continued until I left the country in June 2009. Finally, the announcement of a USD 4.5 billion aid package in October 2008 drew my attention to the dynamics of macro-level aid, leading to a broadening of the scope of research. Limiting the study of aid accountability to the small share of funds channelled through NGOs (as had originally been planned) would have precluded an empirically based exploration of the larger political context within which billions of dollars in aid were being provided, and obscured the role of the Georgian government. Therefore, the scope of research was widened to include multilateral donors, which were major contributors to the aid package, and the Georgian government, which was not only a key interlocutor for international players, but was also directly involved in implementing some aid programmes, in particular the resettlement of internally displaced persons (IDPs).

My collaboration with TIG significantly enriched my research. TIG is a local NGO staffed by professionals, some of whom have over ten years' experience of working with the Georgian governmental bodies, political parties, parliament, the judiciary, the media, other NGOs and foreign donors and diplomats, and who were willing to share their rich pool of contacts with me. Beginning in October 2008, I was involved in building a dedicated aid monitoring team at TIG that eventually grew to encompass two full-time staff supported by one intern and three Fulbright scholars from the United States. Two of the Fulbright researchers were Georgian-speaking anthropologists researching IDPs' life experiences and their perceptions of aid providers; the anthropologists' frequent visits to the newly constructed IDP settlements gave the team an excellent bottom-up view of aid processes. Other team members concurrently engaged in desk research, conducted interviews with aid providers and government officials, and attended aid-related meetings, workshops and presentations in Tbilisi, Gori, Kutaisi and Zugdidi. Within TIG in general and the aid monitoring team in particular, data and observations were shared through frequent discussions inside and outside work, email exchanges, and weekly team meetings, yielding far more data than I could ever have hoped to collect on my own. (For example, TIG in November 2008 commissioned an expensive nationwide opinion survey on international aid, generating data that I could not have gathered by myself.) Several studies on the accountability of aid to Georgia published by TIG are cited in this thesis.[17] Daily interaction with TIG staff and volunteers helped me to refine my understanding of Georgian politics and society, international aid, the lives and concerns of the internally displaced, and the linkages between these actors. In addition, my long-term involvement with TIG enabled me to engage in participant observation of the workings of one donor-dependent local NGO, including grants application and formal reporting processes, informal interactions with donors, and a visit by an external auditor. In some cases, my association with TIG enabled me to gain access to senior government officials and high-level meetings that would have remained off limits to an independent researcher lacking institutional support.

Researching accountability in international aid to Georgia raises a range of methodological issues. Publicly available documentation on aid activities in Georgia is vast in volume, but is limited in form by

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[17] I was the lead writer of several, but not all, of the TIG publications on aid published in 2008-2009. Many of these publications contain numerous references to primary sources.

its reliance on official development discourse, in content by the tendency to emphasize successes and downplay failures, and in scope by reporting bias. The dominant role of the aid industry in shaping the form, content and scope of documentation on aid interventions in the field is troubling as aid industry discourse is purposefully geared towards concealing the political dimensions of aid and power struggles (Ferguson 1990) that are a central focus of enquiry of this thesis. Furthermore, this discourse serves to legitimate aid industry activities (Escobar 1995). For example, people targeted by aid agencies are routinely described as 'beneficiaries' in development discourse, a designation that implies that every individual targeted by an aid activity actually benefits from that activity. This makes it rather difficult to argue that a project may not have created any benefits for its target population. For instance, claiming that 'the beneficiaries did not benefit from the aid' seems to signal that the phenomenon observed constitutes a departure from the normal course of affairs; as extraordinary claims require extraordinary evidence, the burden of proof falls upon the party challenging the claim, rather than on the party originally entrusted with aid resources. Nearly all publicly available materials on aid to Georgia after the August 2008 war have been produced by donors, or by actors who largely depend on donor resources, such as NGOs.

Material put into the public realm by the aid industry and its financial dependents is not only steeped in development discourse, but also tends to emphasize successes while concealing setbacks or failures. For example, this thesis will show how publicly available documentation gives the impression that 'food' was successfully delivered to tens of thousands of 'beneficiaries' in early 2009, while in fact nobody 'benefited' from much from this 'food' as it was inedible in practice. In addition, the scope of aid documentation is also very limited. Donors and NGOs produce documentation on what they do, but understandably do not report on what they do not do. For example, in early summer 2009, aid agencies regularly reported how many mattresses they had delivered to displaced people in the recent past. A researcher using such reports as a point of departure runs the danger of studying individual trees while missing the larger forest. Reviewing reports by NGOs on the number of mattresses distributed is a legitimate avenue of enquiry, but it can turn into a dead alley if the researcher fails to step outside the framework constructed by the aid industry and ask why, after two billion dollars in aid had already been disbursed, some people were evidently still lacking mattresses to sleep on in the first place. Nevertheless, the study of official documents is a vital component of the research design. Documents cited in this thesis include policy papers, activity reports, needs assessments, briefing papers, official minutes of meetings, formal correspondence between stakeholders, aid distribution monitoring forms, and a variety of other paperwork produced by donors, UN agencies, local and international NGOs, and Georgian state bodies. In addition, this thesis cites numerous Georgian[18] and foreign news articles, all of which are available online. In order to increase the readability of the thesis, news articles and press releases are cited in footnotes, while comprehensive documents and the academic literature are cited in the body of the text using the Harvard style of referencing.

Due to the limitations of publicly available documentation on aid in terms of form, content, and scope, research for this thesis triangulated desk review of documentation with interviews and participant observation. Using interviews as a methodological tool has several advantages. Interviews enable the researcher to gain insight into relationships, processes and outcomes that, for the reasons outlined above, are usually not reflected in official aid publications. In particular, such documents tend to conceal or obscure power relationships in international aid, making it imperative to seek out the views and observations of individual aid insiders. Furthermore, researching accountability as the obligation to "manage the diverse expectations generated inside and outside the organization" (Romzek and Dubnick 1987:228; see also Chapter Two) makes it necessary to determine what these expectations are, and how they differ from one stakeholder to the next. Individual aid recipients in particular do not tend to create written accounts of their expectations of, and experiences with, international aid providers.

Therefore, I conducted interviews with people from a variety of backgrounds, including individual aid recipients, government officials, journalists, academics, political analysts, Georgian and foreign diplomats, and staff members of donor organizations, UN bodies and NGOs at all levels. In many cases, I relied on personal connections, contacts provided through TIG and the snowballing technique

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[18] Many of the articles cited were published by Civil Georgia (www.civil.ge). This website is widely regarded as a reliable source of information on developments in Georgia. All of its articles are archived online.

to find informants and build relationships of trust with them. As my engagement with the aid industry in Georgia dates back to 2002, I had sometimes known interviewees professionally and/or personally for a period of several years, facilitating the task of establishing trust. Preceding formal interviews, donor and NGO staff received a copy of an interview consent form pre-cleared with the University of Bristol that clearly explained confidentiality rules to them. In order to further put interviewees at ease, no audio recordings were made; at times, no notes were taken during interviews. An annex to this thesis lists all interviewees who signed consent forms, but – as stated in the forms – individual quotes are not attributed to individual interviewees or their organizations.

These formal interviews are supplemented by a far greater number of informal interviews and conversations which did not involve the signing of the consent forms. In some of these cases, no notes were taken during conversations, but I often captured key points and observations on paper afterwards. Informal interviews predominate in the data set of this thesis for several reasons. First, handing over a consent form before even starting a conversation may in some cases have raised, rather than diminished, concerns about confidentiality in the eyes of the interviewees. The consent form clearly stated that the interviewee signing it would be listed by name in an annex to the thesis, even though individual quotes would not be attributed to him or her. In a small country like Georgia, this could have repercussions for the interviewee, as outsiders may (correctly or incorrectly) infer that a certain quote originated with a certain person on the list. For example, some United Nations staff interviewed for this thesis would not want to be named in a public document that is at times critical of some UN agencies. Second, some interviewees refused to sign the form. For example, in late 2008 I shared an apartment with a Western newswire correspondent whose organization explicitly prohibited its employees from giving any kind of interview. While we had innumerable and very insightful discussions about US policy towards the Caucasus, Georgian politics, the war, and media coverage of aid and IDPs, this person has to remain unnamed. Third, asking interviewees to sign consent forms in some cases was unnecessary. For example, when I interviewed the Minister for Refugees and Accommodation, I did so in the company of two journalists working on a story about IDP housing; the entire interview was explicitly 'on the record', making use of the forms superfluous. The same applies to interactions with TIG employees. With lively discussions taking place in the office every day, conducting additional 'formal' interviews would not have added any value. Fourth, producing consent forms in informal settings would often have been inappropriate and would have broken the flow of conversation and impeded normal human interaction. This does not only apply to informal conversations during shared car rides or on the edges of formal meetings and events, it also applies to informal gatherings outside office hours with friends and acquaintances (many of whom worked in the aid industry). While these interactions yielded some of the most interesting data, taking consent forms along to social gatherings would not have been appropriate. Finally, I conducted some interviews in a TIG capacity; on these occasions, I was representing the organization rather than just myself. The interviews with WFP staff and members of the Anti-Crisis Council, and an interview with a Deputy Minister of Finance, were conducted in a TIG capacity. All these interviewees will remain unnamed in order to protect their identities.

Interviewing individual aid recipients posed different challenges, as I did not share a common language with most of them. Following the advice of my academic supervisors, I therefore hired a research assistant. The research assistant, a former US Peace Corps volunteer in Georgia now studying for a PhD, spoke fluent colloquial Georgian and had excellent knowledge of Georgian culture and rural society. Possible perceptions of power distance were reduced by his frequent use of public transport to reach interviewees and his willingness to spend a lot of time with interviewees and partake of their hospitality. This also served to differentiate him from aid agency employees. Some respondents feared that being overly critical could result in retaliation by the government or by aid providers. The research assistant worked to overcome this by building trust and rapport, partly by conducting repeated visits to the same locations, and often the same individuals, over a prolonged period of time. The research assistant also independently conducted additional participant observation, at times accompanying NGO field staff during their work, at other times joining conflict-affected individuals seeking help in their journeys from one government office to the next. On one occasion, he procured, transported and distributed a small quantity of clothing and food within the framework of a TIG project, in the process gaining an inside view of the practical difficulties in delivering relief goods to displaced Georgians. The research assistant advised me that requesting aid recipients to sign consent forms prior to interviews was culturally inappropriate and likely to generate mistrust; therefore, a Georgian language version of the form was neither developed nor used.

In total, I conducted 34 formal interviews (with signed consent forms) and an unquantifiable but far larger number of informal interviews. My research assistant conducted over 60 additional interviews, most of them with displaced people, and recorded his findings in 35 pages of single-spaced typed field notes. All interviews were either semi-structured or unstructured, thereby giving interviewees the power to define the agenda of conversations in line with their own concerns.

Conducting fieldwork in Georgia posed was far easier than it would have been in most post-conflict settings. Security was excellent. Due to small size of the country and the geographical location of the former conflict zone, it was possible to attend a meeting in Tbilisi in the morning, visit a newly built IDP settlement in the afternoon, and write up field notes in the office in the evening. Gaining access to government officials, including senior officials, is much easier in Georgia than in most other countries. Also, it was usually – though not always – possible to freely visit aid recipients and speak with them in a safe and confidential setting.

The data collected during fieldwork in Georgia between August 2008 and June 2009 is supplemented by three additional series of interviews conducted with aid providers in Georgia (2004 and 2006)[19] and Tajikistan (2009). Desk review of aid-related documentation and email communications with aid industry actors continued after I left Georgia, up to late April 2011. The analyses and conclusions presented in this thesis have additionally been informed by my previous career as an NGO employee, aid consultant, political analyst and freelance journalist in Georgia (2002-2004 and 2006) and Afghanistan (2005-2006), and my ongoing work with a microfinance consulting company dating back to 2004.

Chapter Overview

This thesis is structured into seven chapters: the present introduction, two theoretical chapters, three empirical chapters, and a conclusion.

Chapter Two critically reviews the literature on accountability. Arguing that accountability and power are inextricably linked, it identifies three kinds of power-laden accountability struggles: struggles between rival stakeholders, struggles between stakeholders and organizations, and struggles over the legitimacy accorded to stakeholders' expectations. The chapter then moves on to discuss New Public Management approaches in the West, arguing that the literature on third party government in the West has direct relevance to the study of international aid.

Chapter Three builds on the preceding discussion by examining how various stakeholders use their power to oblige a range of aid organizations to manage often contradictory expectations within an international aid system structured along New Public Management lines. It critically engages with the literature on aid accountability and aid effectiveness, arguing that the aid industry's discourse on accountability is deeply flawed. Examining the relationships between donors and grantees, it concludes that existing accountability mechanisms do not serve to enhance the efficiency, effectiveness or financial integrity of aid interventions. Rather, these mechanisms are best described as phantom accountability, as their primary purpose is to give an appearance of accountability on paper in order to hide a lack of substantive accountability in practice.

The empirical part of this thesis consists of three chapters which between them contain five case studies on the accountability of international aid to Georgia in 2008-2009. Chapter Four explores power-laden accountability struggles between rival stakeholders in the context of emergency relief and macro-level aid, arguing that these aid interventions were primarily accountable to powerful groups with little interest in making aid more effective. Chapter Five explores the influence of power relationships on the perceived legitimacy of stakeholders' expectations as donors and the Georgian government struggled over key aspects of IDP policy. Moving from policy to implementation, it

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[19] The 12 interviews conducted in 2004 were published as part of a series in the Tbilisi-based English language newspaper "Georgia Today" in the same year. They are no longer available online, but I have copies of the transcripts on file. In 2006 – after completing my PhD research proposal, but before being offered a place to study – I conducted 15 preliminary interviews in Tbilisi.

discusses external stakeholders' difficulties in attributing responsibility for performance in a highly complex aid programme that built nearly 4,000 houses for IDPs, arguing that less accountable aid is not necessarily less effective aid. Chapter Six explores accountability struggles between stakeholders and organizations in the context of bulk food aid, concluding that Georgians' lack of power over the United Nations and NGOs undermined domestic stakeholders' attempts to hold aid providers to account for their distribution of inedible flour.

Chapter Seven rounds off the thesis by revisiting theoretical debates about accountability and international aid in light of the empirical evidence from Georgia, concluding that the aid system is characterized by phantom accountability, characterized by elaborate accountability safeguards on paper that serve as a smokescreen to conceal the aid industry's lack of substantive accountability to external stakeholders, notably the poor.

Chapter Two:
Accountability, Power and Third Party Government

In order to study accountability in international aid, it is first necessary to enquire what 'accountability' actually is. Therefore, the second chapter of this thesis begins by reviewing the literature on accountability. By defining accountability as the obligation to "manage the diverse expectations generated inside and outside the organization" (Dubzek and Romnick 1987:228), it postulates that different stakeholders frequently generate different – and at times diametrically opposed – expectations towards organizations.[20] Accountability and power are intimately linked in two ways. First, power is at work in *struggles between stakeholders*. As a stakeholder attempts to oblige an organization to manage its expectations, it can find itself in competition with other stakeholders who want the organization to do something completely different. While any stakeholder may generate an expectation towards an organization, organizations give priority to managing the expectations of those stakeholders who have greater power to punish or reward them. When expectations are mutually incompatible, accountability turns into a zero sum game, pitting rival stakeholders against each other as they struggle for primacy. Second, power is at work in *struggles between stakeholders and organizations*. The extent to which any given organization is obliged to manage and meet a particular stakeholder's expectation depends on numerous factors, including access to information and the perceived legitimacy of the expectation, which in turn hinges on the broader socio-cultural environment. The nature and extent of stakeholder expectations play a significant role in shaping both the broader context within which organizations are called to account, and the extent to which organizations are obliged to manage individual expectations.

Because accountability and power are so strongly linked, exploring how accountability is defined and enacted in international aid provides a promising entry point for exploring wider power relationships within the aid industry. While there is a large body of literature on international aid, researchers in the field have commonly failed to ground their debates about aid accountability in the wider literature on the accountability of publicly funded service provision within the West. The second section of this chapter tries to fill this gap in the existing literature by showing that the international aid system in its current form is structured along similar lines to service provision inside some Western countries, and for similar reasons. Therefore, many of the analytical tools used by public management scholars can also be applied to the study of aid industry dynamics, and many of their findings have direct relevance for the study of international aid.

Many Western governments have quite recently adopted a New Public Management (NPM) approach to service provision both at home and abroad, in the process outsourcing frontline service delivery to nongovernmental providers, including NGOs. Based on the extensive literature on NPM in the West, the second section of this chapter argues that the accountability for performance inherent in NPM entails a shift in accountability relationships that can be observed both at home and abroad. NPM has resulted in third party government, in which the state finances service provision by NGOs and other autonomous providers. Critics charge that NPM has increased and centralized the power of the state, eroded democracy in general and democratic accountability in particular, and has failed to deliver improved public services in part because of an excessive reliance on quantitative performance indicators. Exploring this literature in detail lays the foundations for Chapter Three, which will critically review very similar concerns voiced by academics studying outsourced service delivery in international aid in general, and the effects of third party government on aid accountability in particular.

The chapter challenges the power-blind (Ferguson 1990) mainstream aid industry discourse on accountability (for example, see DOS/USAID 2010 and HLF 2005) by arguing that accountability and power are closely linked. In order to hold an organization accountable, a stakeholder must have the *power to oblige* that organization to manage – and if possible meet – the stakeholder's expectations. (An organization may voluntarily choose to manage a powerless stakeholder's expectations, but this

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[20] For the purpose of this thesis, a stakeholder is defined as an individual or organizational actor with "an interest in some aspect of… [an organization's] conduct, and/or a "practical interest in trying to shape" that conduct (Moore 2006:7).

does not constitute accountability.) The more power a stakeholder has vis-à-vis an organization, the more it will feel obliged to manage these expectations.

Accountability and Power

Accountability has received increasing interest from both policy-makers and academics in recent years, prompting one observer to speak of an "accountability explosion" (Carland 1994; see also Anechiarico and Jacobs 1996). Accountability is widely perceived as a self-evidently 'good thing' (David 2003). Calling an organization 'unaccountable' is a form of criticism, and a panoply of problems are traced back to a 'lack of accountability' as routinely as 'more accountability' is prescribed as a remedy. Interestingly, while more accountability is presented as the cure for a seemingly endless list of ills, there is no widely accepted definition of the term. Kearns (1994:187) observes that "the concept of accountability is inherently ill structured. It is laden with competing assumptions and complicated by contextual factors that make the notion of accountability the ultimate 'moving target'". Many papers dealing with the subject never offer a definition, and those definitions that do exist are sometimes contradictory and often incompatible. Scholars variously understand accountability as including compliance with accepted standards and minimizing abuses of power (Dwivedi and Jabbra 1989:5), answerability for courses of action taken (Anheier 2005:237, Banks 2004:150, Tashiro 1989, Caiden 1989), justification for tenure in office (Delmer Dunn 1989), sanctions (Manin et al 1999) and punishment (Behn 2001), responsiveness (Delmer Dunn 1989, Tashiro 1989:219, Posner 2004:46), popular control of rulers (Jain 1989:122, John Dunn 1989), record keeping, and "general notions of democracy and morality" (Kearns 1996:35-38). In part, the definitional confusion surrounding accountability stems from the fact that social understandings of accountability are shifting. Recognizing the multifaceted and fluid nature of accountability, Dubzek and Romnick in a widely cited paper (1987:228) called on their fellow researchers to broaden their understanding of the concept, proposing a definition of accountability as the obligation to "manage the diverse expectations generated inside and outside the organization". Conceptualizing accountability in terms of managing expectations allows for the possibility that stakeholders' expectations may be diverse and even contradictory, and may differ across space and time.

The notion of multiple stakeholder groups making competing demands for accountability raises the question of which of these expectations are more likely to be met. Delmer Dunn (1999:299) argues that "for accountability to sustain responsiveness, it must be supported by sanctions and rewards" (see also John Dunn 1999:335, Bluemel 2005:144). Sanctions may include embarrassment in the media , investigations, budgetary penalties, demotion, and removal from office (Dubzek and Romnick 1987, Peruzzotti and Smulovitz 1989). Manin et al (1999:10) put sanctions at the heart of their conception of accountability, flatly stating that "governments are accountable if citizens... can sanction them"; in their view, an accountability mechanism provides "a map from the outcomes of actions (including messages that explain these actions) of public officials to sanctions by citizens". Behn (2001) also highlights the importance of sanctions in the minds of those being held to account. "Those whom we want to hold accountable have a clear understanding of what accountability means," he writes, "accountability means punishment" (2001:3). Therefore, when two stakeholders communicate contradictory expectations towards an organization, the expectations of the stakeholder with the greater power to punish or reward the organization is more likely to be met than the rival expectation of the (contextually) less powerful stakeholder. A central hypothesis of this thesis is that organizations prioritize managing the expectations of stakeholders that are powerful from the organization's perspective. This directly contradicts the mainstream aid industry discourse on accountability, which posits that enhancing accountability will always result in win-win outcomes for all organizations and stakeholders involved, regardless of their relative power.

Organizations themselves are not merely passive objects of tugs-of-war between rival external stakeholders. This thesis defines accountability as the obligation to manage the diverse expectations generated *inside* as well as outside the organization. Thus, organizations are frequently confronted by the dilemma of having to manage expectations by external stakeholders that clash with the expectations generated by internal stakeholders. To put it simply, stakeholders often expect

organizations to do things that these organizations do not want to do.[21] For example, activists may call for an energy company to adopt a series of very costly environmental safeguards. The energy company may fully meet this expectation by adopting all safeguards, partially meet it by adopting a few safeguards, or not meet it at all, refusing to put any additional measures in place. In extreme cases, the company may not only refuse to meet the expectation, but may additionally decline to explain why it has chosen not to do so, thereby signalling that it sees no need to render account to the stakeholder in question. In other words, the extent to which a stakeholder can oblige an organization to meet its expectations varies from case to case.

In the West, the media often portrays the struggle between individual stakeholders and organizations as a battle between David and Goliath in which powerless underdogs bravely challenge the powerful in a usually doomed quest for justice. Questioning this popular view, Behn asserts that the reverse is true: the relationship between accountability demanders and suppliers is "a superior-subordinate relationship" (2001:196) that pits punishers (stakeholders) against punishees (organizations). In his view, accountability has run haywire in the US, forcing defenceless organizations to submit to the capricious whims of multiple aggressive stakeholders who, ironically, are themselves often accountable to nobody at all. Other scholars (see below) have challenged Behn's assertion that power in stakeholder-organization relationships always rests firmly with the stakeholder. In sum, there is no academic consensus on the relative power of organizations vis-à-vis stakeholders. However, the literature does point to two strategies that organizations use to reduce their obligation to manage and meet unwelcome external expectations. First, organizations carefully manage information flows to outside stakeholders (O'Neill 2002). Second, they challenge the legitimacy of some expectations (Goetz and Jenkins 2005). I now look at each in turn.

Controlling, restricting or manipulating access to information is a key tool employed by organizations that wish to escape the obligation to manage external expectations opposed to their own interests. Organizations have a natural advantage over outside stakeholders as officials enjoy greater access to information and tend to have greater expertise in analyzing it. Importantly, this privileged access gives organizations the opportunity to manage information to serve their own interests (O'Neill 2002). In particular, they can withhold information so that stakeholders cannot precisely formulate salient demands, or cannot verify the extent to which their demands are being met. Access to information is therefore understood to be a necessary (though not sufficient) precondition for accountability by many scholars. For example, Smookler argues that in the political sphere, "the ability of the public to have access to government and its activities is vital to accountability" (1989:42, see also Bluemel 2005:144, Caiden 1989:29, Collin et al 2009:Point 37). For this reason, sunshine laws and freedom of information legislation are seen as a means to increase the accountability of official bodies. O'Neill (2002) takes a dim view of such initiatives aimed at total transparency. Arguing that differentials in access to information cannot be overcome, she warns that "demands for universal transparency are likely to encourage the evasions, hypocrisies and half-truths that we usually refer to as 'political correctness',... self-censorship or deception". On a similar note, Manin et al (1999) caution that raw data provision by organizations is insufficient to ensure their accountability. Warning that "our information must not depend on what governments want us to know", they regard "accountability agencies" such as electoral commissions and statistics agencies as crucial elements of functioning accountability systems (1999:24). Peruzzotti and Smulovitz (1989) expand this list of accountability agencies further to include actors located outside the state apparatus such as civil society groups and the media. According to them, such independent watchdogs can enhance accountability by exposing wrongdoing, activating official control agencies, and monitoring the work of these agencies.

Besides access to information, the perceived legitimacy of an expectation is also an important variable influencing whether – and to what degree – an organization is obliged to manage it. Stakeholders' accountability demands frequently go beyond demanding compliance with formal, technical, procedural and legal standards, all of which tend to lag behind public norms (Goetz and Jenkins 2005, see also Behn 2001:3). To continue the example from above, activists may call for an energy company to adopt environmental safeguards that exceed minimum legal requirements. Following Romzek and Dubnick's (1987) model, these stakeholders can be said to generate new –

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[21] Of course, internal stakeholders and their expectations can be highly diverse. This theoretical framework deliberately reifies organizations as unitary rational actors with a single set of interests and expectations in order to preserve parsimony and allow greater focus on external stakeholders.

and much broader – expectations of the company, which until then may have understood itself to be externally accountable only to shareholders for profit, and to the state for compliance with laws and regulations. However, not every claim by every stakeholder is regarded as equally legitimate. The degree to which new expectations entail an organizational obligation to respond partially depends on the perceived legitimacy of both the stakeholder and its claim. For example, Mallaby (2004) attempts to delegitimize attempts by NGOs to hold the World Bank to account over the social and environmental impacts of its projects in two ways. First, pointing out that these NGOs have few if any members, he questions whether they are legitimate stakeholders. "NGOs purport to hold the World Bank accountable, yet the Bank is answerable to the governments who are its shareholders; it is the NGOs' accountability that is murky" (2004:52). Rather than speaking for the poor, he charges, such NGOs are just acting in their own selfish interests, because "if they stop denouncing big organizations, nobody will send them cash" (2004:55). Second, Mallaby questions the validity of the claims themselves. Not only are they often factually wrong, he asserts, but on a more fundamental level, they are based on "perfectionist safeguards" that are out of touch with the realities and needs of poor countries (2004:55). Such attempts to hold the World Bank to account can hold up or block projects that would help the poor, Mallaby concludes. Therefore, these expectations lack legitimacy, and the Bank should not be obliged to manage them (see also Grant 2003).

What makes an expectation legitimate? Moore observes that standards constantly evolve as they are "constructed in a continuing political, moral, legal, practical dialogue about what social actors can reasonably demand from each other" (2006:12). In Western countries, and possibly beyond, accountability discourse has changed significantly in recent decades. This has prompted many observers to speak of a "new accountability" (Banks 2004) that goes far beyond accountability's traditional twin concerns of limiting abuses of power and curbing corruption (see Chapter One). According to Goetz and Jenkins, what they call "the new accountability agenda" (2005:16) represents a qualitative as well as a quantitative shift in accountability demands. The new agenda is characterized by three developments. First, people and non-governmental associations assume a more direct role in holding the powerful accountable, in the process assuming roles and tasks previously monopolized by state institutions. For example, while monitoring municipal budgets may once have been the exclusive preserve of internal governmental control and oversight bodies, today NGOs may assume a watchdog role and engage in parallel monitoring of municipalities, thereby complementing (but not replacing) long-standing state mechanisms (2005:189). Second, the range of methods by which actors are being held accountable has broadened considerably to include new tools such as scorecards and rankings. Third, stakeholders today often hold institutions accountable by measuring them against "a more exacting standard of social justice" (2005:16). Accountability goalposts are constantly shifting as informal standards are inherently vague and formal standards may be subject to subsequent reinterpretation by courts (Behn 2001:3). Recast in Dubzek and Romnick's (1987:228) terminology, expectations have become more exacting and diverse at the same time as the circle of stakeholders formulating such expectations has widened. Thus, the perceived legitimacy of an expectation depends on the social and historical context, and may well be disputed. In the West, the range of expectations considered legitimate has generally widened as a result of changing societal expectations, resulting in a transformation of the entire accountability landscape; this recent development will be discussed at greater length in the second section of this chapter.

Accountability is fundamentally reactive. On a micro level, the obligation to "manage the diverse expectations generated inside and outside the organization" (Dubzek and Romnick 1987:228) only arises if and when such expectations have been generated in the first place. On a macro level, society-wide changes in expectations can have an impact on overall accountability frameworks (see above). In this context, it is surprising that most of the literature on accountability ignores the demand side of the equation. Many accountability scholars deal exclusively with the supply side, asking how organizations – including governments – can be made more accountable. In contrast, this thesis will discuss both the demand (stakeholder expectations) and the supply (organizational response) side of accountability struggles. It hypothesizes that the nature and extent of stakeholder expectations play a significant role in shaping both the broader context within which organizations are called to account, and the extent to which organizations are obliged to manage individual expectations.

If changes in stakeholder expectations lead to changes in accountability frameworks, such frameworks must be expected to vary across time and space. The theme of variation across time – mostly in a unilinear direction towards more accountability – has garnered some attention in the

literature (see above; also Davies 1989). However, there is a notable gap in scholarship where variation across space is concerned, maybe because most researchers write from a Western political science perspective. While a comprehensive cross-cultural anthropology of accountability has yet to emerge, some authors have touched upon the subject. Goetz and Jenkins (2005) believe that "standards of accountability are... shaped by local political cultures" (2005:138), but claim that these standards are on the rise worldwide as a result of modernization. Whether modernization means that accountability demands will inevitably assume a more rational-legal (Weber 1971) content is unclear; Jain (1989:122) observes that in contemporary India, citizens may call for administrative impartiality one day and then expect political responsiveness to their own - often particularistic - claims the next. In her discussion of accountability in Brazil, Campos (1989) posits that local forms of accountability are determined by the relationship between government, administration, and citizens. Examining the effect of demand on supply, she argues that "public servants' accountability is determined to a great extent by citizens' attitude and behaviour... citizens' consciousness of their rights and their ability to organize in order to defend them is a prerequisite for accountability" (1989:202; see also Taylor 1996, Peruzotti and Smulovitz 2006). Adopting an explicitly social evolutionary (Pluciennik 2005) stance that most mainstream scholars would probably shy away from, she concludes that "in summary, a society needs to reach a certain level of political maturity and organizational capability before it can control government and its bureaucracy" (Campos 1989:202). In her view, the degree of accountability is a direct function not only of the history, politics and institutional framework of society, but also of "the values and mores shared in the culture" (1989:209).

An excellent example for how stakeholders' demands can shape overall accountability frameworks is the New Public Management (NPM) approach embraced by some Western governments during the last two decades, which aims to improve the performance of public services (more on this below). NPM is the direct consequence of political and social changes in the West. Traditionally, accountability used to be narrowly conceived as a means for achieving the dual ends of limiting abuses by rulers and controlling corruption. In today's consolidated Western democracies, limiting the risk of flagrant power abuses by rulers may seem a less pressing issue than it had been during the eighteenth century or in the 1920s and 1930s; similarly, the impact of corruption on citizens' and rulers' lives is probably felt less than it had been one or two centuries ago. Instead, the electorate's expectations increasingly centre on public services (many of which were only established recently in historical terms). Candidates for political office accordingly promise to make health care and education better, more efficient, and more responsive to citizens' wishes, while at the same time pledging not to raise taxes. NPM is thus a response to emerging popular demands. Politically, it is a response to tax-paying voters' expectation that their governments deliver high-quality services at the least possible cost to themselves. Socially, it is a response to moral concerns with equity, an increasing emphasis on clients' rights (Banks 2004:153-154), and – arguably – declining public trust in authority (Mitchell 2003; for a dissenting view see O'Neill 2002). The following section discusses NPM frameworks and their consequences in detail, highlighting parallels between NPM in the West and the international aid system.

Third Party Government in the West

The previous section argued that power and accountability are intimately linked, and discussed the emergence of a "new accountability" (Banks 2004) transcending accountability's traditional twin concerns of limiting abuses of power and curbing corruption. The current section discusses the implementation, consequences and criticisms of New Public Management frameworks within some Western countries. NPM frameworks aimed to improve the efficiency, cost-effectiveness, responsiveness and quality of public services (Frumkin and Kimberly 2008, Stein 2003). NPM implementation entailed the outsourcing of many frontline services to large numbers of third party service providers, especially NGOs. Some observers charge that NPM in general, and the resulting fracturing of the service provision landscape in particular, have undermined rather than strengthened public service accountability. Discussions about the accountability implications of NPM are highly relevant to international aid, which is often structured along NPM lines, as will be discussed in Chapter Three.

Accountability for performance (Behn 2001:11) is a core tenet of the New Public Management (NPM) approach, which has been implemented in several Western countries over the last two decades. NPM rode to prominence on the coattails of 1980s ideological attacks on 'big government' and 'red tape' on

both sides of the Atlantic and the free market triumphalism that followed the collapse of communist regimes in Europe. NPM proponents argued that bureaucracies insulated from competitive market pressures and populated by officials enjoying security of tenure lack incentives to exercise frugality in their stewardship of public funds and to strive for excellence in service provision. As a result, taxpayers often receive unresponsive and low quality services that lack client focus and are frequently overpriced. The goal of NPM was to generate "high-quality services that citizens value" (Behn 2001:25) as efficiently and cost-effectively as possible. To achieve this aim, the welfare state was to transform itself into the regulatory state (Power 1997:52), stepping back from direct implementation to focus on its new core role as "financier or arranger of services" (Salamon 1995:207). NPM entails breaking down integrated monopolistic providers into subunits with distinct functions and roles, and exposing these smaller and leaner autonomous subunits to market pressures by forcing them to compete with each other - and with private businesses and non-governmental organizations (NGOs) - for government contracts and/or the allegiance of clients.

A shift in accountability relationships is inherent in the NPM framework. Formerly, governmental bodies were vertically integrated, with clear rules, regulations and reporting lines ensuring internal accountability; externally, they were accountable to the political leadership. With the implementation of NPM, front-line service provision has been increasingly outsourced to autonomous subunits and/or non-state providers, thus complicating the accountability landscape. Micromanagement of service providers by the state is no longer seen as desirable. A key NPM tenet is that the new accountability requirements should no longer centre on the management of public resource inputs and compliance with a multitude of detailed regulations but should instead focus on outputs and performance (Banks 2004:38, Stein 2003). In other words, the state should stop telling managers how to do things and start telling them what should get done - and then let them get on with the job. Behn (2001), a critic of NPM and the new accountability, convincingly argues that the shift to accountability for performance marks a fundamental departure from prior accountability modes in public management. In the past, reflecting accountability's traditional twin concerns of limiting abuses of power and curbing corruption, public sector entities were held accountable for fairness, the use of power, and their financial stewardship. Officials' compliance with these traditional accountability demands, Behn points out, directly led to the administrative rigidity and bureaucratic red tape that NPM now seeks to redress. According to him, "the trade-off between accountability for finances and fairness, and accountability for performance,... [is] *the* classic dilemma of public administration (Behn 2001:11, emphasis added).

After two decades' experience with NPM-style management in some Western countries, critics charge that NPM's deliberate reorientation of administration towards accountability for performance has failed to deliver on its original promises of greater overall accountability, higher effectiveness and better services. NPM's results-driven management is under attack on three fronts. First, critics allege that NPM has further enhanced and centralized the power of the state. Second, they attack NPM for eroding democracy in general and democratic accountability in particular. Third, they question NPM's track record in delivering the promised "high-quality services that citizens value" (Behn 2001:25). As many donors operate according to NPM principles (HLF 2005) and frequently outsource service delivery to third parties such as NGOs, these criticisms have direct relevance to the sphere of international aid. (Chapter Three will explore these parallels in greater depth.)

The first criticism of NPM is that it leads to excessive central control (Radin 2006:155). The very fragmentation of service delivery reinforces the desire and need for central control (Banks 2004:53), especially as many service providers funded with public money - such as private companies managing prisons, or charities working with the mentally disabled - cannot be held directly accountable for their performance by users through market mechanisms. In such cases, Posner explains, "government... must define the product, determine reasonable prices and set standards of quality in the absence of the signals that competitive markets provide" (2004:31). In order to ensure control and achieve political objectives through "action at a distance" (Shore and Wright 2000:61) and hold service providers accountable for their stewardship of public resources (Salamon 1995:103), the state assumes oversight and coordination powers. Therefore, the state's retreat from direct implementation does not mean that it surrenders power, O'Neill (2002) argues. On the contrary, central planning and control are reinforced as the state attempts to hold frontline service providers accountable for their performance through the setting and monitoring of performance targets and output indicators. In fact, O'Neill (2002) asserts, "the new accountability culture aims at ever more perfect control of institutional and professional life" (see also Radin 2006:199). While the publication

of performance targets and of indicators tracking progress may facilitate the monitoring of service provider performance by citizens, interest groups and the media, the actual standards to which providers are held accountable are set centrally (Power 1997:107). In effect, the state frames the agenda by defining what providers can legitimately be called to account for, while concurrently delegitimizing account-holding based on other criteria. Put differently, those in power decide which kinds of expectations by stakeholders are legitimate and entail an obligation to respond, and which expectations may be ignored. Meanwhile, standardized frameworks imposed from above weaken local actors and disconnect policy makers from ongoing learning processes on the ground (Power 1997:109). The literature on donor-NGO relationships in international aid lends credence to the charge that NPM-inspired implementation structures frequently increase central control over formally autonomous service providers (see Chapter Three).

While Goetz and Jenkins (2005) celebrate the new accountability for shifting power away from politicians and bureaucrats and towards an increasingly emancipated, vocal and assertive citizenry, other authors believe that NPM is actually shifting power away from the people. Posner argues that the complexity of performance accountability systems leads to a heightened reliance on expert subcontractors that exacerbates existing principal-agent problems (2004:31). For example, performance tracking through literacy indicators wrests power away from teachers, but then immediately transfers it to those tasked with measuring teachers' achievements. In particular, auditors are widely believed to be the main beneficiaries of the new accountability (Power 1997, O'Neill 2002). In the worst case, auditors might end up running the show, and "accountability will come to mean nothing more than whether the agency... has complied with the performance auditor's definition of performance" (Behn 2001:202). With this in mind, Radin (2006:28) concludes that while NPM may seem to signal a shift in power from professionals such as teachers to ordinary citizens, in reality it only shifts power from one group of professionals to another. Behn (2001:63-78) warns that the high complexity of performance monitoring can make direct citizen oversight impossible, thereby rendering accountability processes vulnerable to capture by special interest groups. To continue the example of education, centralized target setting and subsequent performance verification and control by professional monitors may not only shift power upstream - away from local schools and teachers and towards central government - and from one group of professionals to another, but might even diminish rather than enhance schools' overall accountability to parents.

A second criticism of NPM and its model of accountability is that NPM undermines democracy in general and democratic accountability in particular. Classic models of accountability within democratic states are based on relatively straightforward chains of accountability: bureaucrats are held accountable by ministers, who in turn are held accountable by parliament and/or the president, who themselves are held accountable by the citizenry as a whole through periodic elections (Jain 1989:123, Davies 1989). Under NPM, as the state retreats from direct service provision and outsources implementation to autonomous contractors, the accountability landscape becomes more fragmented. The existence of multiple players in a fragmented service delivery environment may blur accountability by making it hard to pinpoint responsibility for failures. Wood sees the emerging "franchise state" as inherently unaccountable, charging that "the state has discarded responsibility along with implementation by extending and diluting the definition of what constitutes the state" (1997:84). Service delivery is fragmented at both source and destination and placed in a sectoral rather than national context, thereby sidelining traditional political actors such as political parties and trade unions. Multiple non-transparent agencies make decisions on resource allocation, leading to fragmented delivery results that in turn results in a fragmentation of voice. Wood warns that the monitoring of individual service providers cannot be aggregated into holding the state accountable for overall resource allocation. With the removal of a "universal system of accountability", "the basis of citizenship has been systematically removed: the right to attribute performance to the state alongside the existence of formal mechanisms to bring that bureaucratic performance to account" (1997:84-85). The lack of a universal system of accountability is especially pronounced in international aid, where the service delivery landscape is often fragmented between the host government, multiple donors, and/or numerous NGOs (Godoy 2009).

Accountability for performance rather than for finances further complicates the pinpointing of responsibility; while a financial failure can usually be traced to a single actor, a performance failure is usually collective, and it may be unclear whether responsibility lies with those working within a system, or with those who designed the system itself in the first place (Behn 2001:69). However, the

argument that fragmentation or complexity per se make accountability impossible must be taken with a pinch of salt. After all, in contrast to parliamentary democracies, the democratic system in America - arguably one of the more accountable political systems in the world - was purposefully designed on the basis of separation and fragmentation of powers (Radin 2006:117-118). In any case, direct electoral accountability for individual failures seems doomed to remain elusive as the ballot box commonly only offers the choice between aggregated bundles of policies (Behn 2001:79, Zakaria 2003). Nevertheless, the claim that the fragmentation of service delivery at both source and destination makes it hard to pinpoint responsibility for failures and thereby undermines accountability should not be dismissed out of hand. In fact, as the empirical part of thesis shows, difficulties in pinpointing responsibility due to fragmentation were a recurring theme in international aid to Georgia, where stakeholders often struggled to discern whether donors, UN agencies, NGOs and/or the host government were responsible for aid interventions.

Wood's (1997) above-mentioned critique of the depoliticizing effects of NPM is further developed by Shore and Wright (2000), who see NPM as an expression of right-wing "neo-liberal governmentality" that seeks to make free markets the organizing principle of all activity, including that of individuals and of the state, inculcating new norms and values along the way. Driven by the "economic and political imperatives of neo-liberalism" (2000:84), the market tail begins to wag the society dog. In a striking parallel with Ferguson's (1990) classic critique of the aid industry as the "anti-politics machine", Shore and Wright assert that under NPM, political problems are recast in the rational, objective and neutral language of science, leading to their eventual removal from the political realm; political discourse gives way to a discourse of 'efficient management'. In the wake of depoliticization, activists may miss the wood for the trees as their attention is diverted away from deeper structural problems (Goetz and Jenkins 2005:180). The shift in language often accompanying NPM implementation in the West certainly lends some credence to the charge of depoliticization as citizens are frequently reconceptualized as 'consumers' or 'clients' of services. Similar terminology has emerged in international aid (Belloni 2001:73-74), where NGOs lament donors' "consumerist approach to humanitarian assistance" (Grunewald and deGeoffrey 1999) and worry about becoming depoliticized service delivery contractors.

The third criticism of NPM is that it has failed to deliver on its central promise of better, cheaper and more responsive services. NPM critics pursuing this line of argument usually highlight problems resulting from NPM's use of quantitative indicators to define, measure and reward performance (Stein 2003). Establishing and monitoring indicators can generate considerable costs (Thiel and Leeuw 2002:270) and thus may work directly against better economy, efficiency and effectiveness in service delivery. In some cases, organizations even need to restructure or create additional departments just in order to become auditable in line with the new requirements. Therefore, indicator-driven management can impede rather than improve organizations' core task performance (Behn 2001, Shore and Wright 2000). Echoing Behn's (2001) theme that accountability for performance is fundamentally different from the traditional public sector accountabilities for finances, fairness and the use of power, Van Thiel and Leeuw (2002:270) point out that the definition of quality is often unclear. Radin eloquently argues that confidence in the validity of indicators rests on a number of silent assumptions that are highly questionable, as information may not be neutral and readily available, goals are not always clear and simple, and causality frequently cannot be established; some activities cannot be measured and quantified at all (2006:184-185). O'Neill (2002) observes that individual targets may clash with each other, or with organizational goals related to processes. For example, new minimum targets for the hire of ethnic minority staff may directly clash with long-established commitments to merit-based recruitment processes.

Indicators also tend to have a displacement effect. When managers are held accountable for attaining specific quantitative targets, their attention becomes diverted away from factors not reflected in those targets, including issues of quality. At best, this creates a bias towards what is observable. At worst, it leads to tunnel vision (Van Thiel and Leeuw 2002:270) as efficiency begins to take precedence over effectiveness (Radin 2006:242), and impacts and outcomes get overlooked (Shore and Wright 2000:64) in the single-minded drive towards meeting targets. Power convincingly argues that performance indicators inherently prioritize outputs over outcomes, replacing the logic of evaluation with a far more narrowly focused logic of audit (1997:115). Quality and even common sense can become the victim of quantity when front-level service providers strive to achieve centrally defined targets (Stein 2003). At times, badly developed indicators can create perverse incentives. For

example, when hospital waiting lists for operations became a political issue in Britain, a quantitative indicator was developed in order to get hospital managers to focus on the issue. In response to the new incentive structure, some managers reportedly ordered doctors to prioritize minor operations, which could be completed in less time. While the indicator truthfully showed that waiting lists had shortened, it did not show that people in need of major surgery now suffered from even longer waiting times. Ironically, if some of these people then died as a result of delayed operations, this further improved hospital performance as measured by the indicator because their deaths shortened the waiting list even more. Quantitative indicator driven management is also prevalent in international aid, often generating similar perverse incentives and pathologies (Bruckner 2004). In one episode described in this thesis, donors' reliance on quantitative reporting possibly blinded them to the fact that implementers were delivering food aid that was inedible (see Chapter Six).

Because NPM intentionally links performance (as measured by indicators) to sanctions and rewards, it can create temptations for a variety of stakeholders to manipulate assessment frameworks and performance data in their own interests. Politicians, bureaucrats and autonomous sub-contractors all can use indicators to shore up their policy positions, for example to demonstrate that a favoured programme is doing a good job (Banks 2004:151). When the achievement of targets becomes linked to resource allocation, meeting targets – or pretending to meet them – can easily become the prime organizational concern. Communication upwards from agents to principals can become limited to the quantitative information that principals explicitly require, and both intra-institutional and inter-institutional learning processes may grind to a halt, stultifying innovation and eventually leading to ossification (Van Thiel and Leeuw 2002:270 and 276). Even worse, agents can take advantage of their ability to manipulate information for their own benefit (Van Thiel and Leeuw 2002:276) and begin 'gaming' the system (Radin 2006:186). In the worst case, a system that was originally conceived as a way of enhancing accountability turns into the reverse as all agents revert to "symbolic behaviour" (Van Thiel and Leeuw 2002:270), putting on a show for performance evaluation teams (Shore and Wright 2000:64). Such 'gaming' of the system by agents through manipulated information has also been observed in international aid, where United Nations agencies and NGOs often use monitoring and evaluation processes to legitimize their activities and advocate for a larger share of donor resources.

Concerns that agents may 'game' the system and take advantage of limited oversight partially explain why the US government funds a wide range of activities by NGOs inside America. Delivering public goods through third parties inevitably entails principal-agent problems, Salamon (1995:39-42) argues. He explains that because the purchaser (the taxpayer at large) and the individual client (beneficiary) of governmental services are not the same, market mechanisms cannot ensure quality outputs. Afraid of being cheated by commercial contractors, the government instead turns to NGOs, which are thought to be most trustworthy due to their avowed normative commitment to charitable purposes. However, as Salamon notes, the principal-agent explanation begs the question of why the government prefers working through subcontractors to directly implementing programmes itself. (Curiously, he does not consider whether NGOs might be more efficient or effective, as NPM theorists might claim.) According to Salamon (1995:39-42), in addition to being perceived as more trustworthy, NGOs also offer decision-makers a way to overcome the contradiction between American voters' desire for public goods on the one hand, and their ideological hostility to government structures on the other. The end result is "third party government", in which the state acts through NGOs. This obviates the need to set up new administrative structures to solve problems (an advantage often highlighted by NPM enthusiasts), while at the same time building broad support coalitions for programmes by giving more players a vested interest in their continuation. Also, working through NGOs often allows decision-makers to take action without having to seek legislative approval for every step along the way (Salamon 1995; see also Posner 2004). Intriguingly, this last reason suggests that decision-makers may at times prefer to work through third parties in order to escape the obligation to manage domestic stakeholders' expectations opposed to their own agendas – in other words, governments may work through NGOs in an effort to become less accountable to hostile stakeholders. Discussing 'third party government' within Western countries is highly salient to international aid, as institutional donors often fund NGOs abroad for similar reasons, and with similar effects on accountability.

The perceived advantages to governments of working through NGOs have given rise to a huge nonprofit sector in many Western countries. Within the United States, NGOs today deliver more publicly financed health and social services than the government itself does (Salamon 1995:34). Out

of the 1980 US federal budget of USD 591 billion, a full USD 41 billion went directly to NGOs (Salamon 1995:72), whose combined annual spending averages USD 2,650 for each American (Anheier 2005:65-78). More than 1.6 million organizations collectively generate revenues of nearly USD 670 billion, giving the sector an 8.5% share of GDP (Anheier 2005:65-78; for UK figures see McKay and Hilton 2009). This has made NGOs highly dependent on state funding, which in the US constitutes 38% of their revenue (Salamon 1995; for contradictory figures see Magat 1989). In contrast, only 6.4% of NGO revenues in the United States come from direct donations by private individuals (Salamon 1995:63). While the literature on international relief and development NGOs – and, to an even greater degree, aid industry discourse on civil society strengthening abroad – rarely display awareness of the close ties between governments and nonprofits in the West, the financial dependency of aid NGOs on governmental donors is widely discussed in the literature on aid.

Conclusion

Accountability and power are closely linked. Therefore, the aid industry's practice of discussing accountability without taking into account the power relationships between stakeholders and organizations is deeply flawed, as is the common misperception that more accountability to more stakeholders inevitably results in positive outcomes for all players (for example, see DOS/USAID 2010, HLF 2005). Faced by competing expectations from rival stakeholders, organizations prioritize managing the expectations of stakeholders that are powerful from the organization's perspective. An organization may choose to listen to powerless stakeholders' concerns, it may choose to explain its actions to them, and it may even choose to meet their expectations – but it will never be *obliged* by them to do so. In such contexts, an organization can be said to be more or less *responsive* to such stakeholders, but it will never be accountable to them. The extent to which a stakeholder can oblige an organization to manage and meet its expectations is disputed. Two key variables identified in the literature are access to information and the perceived legitimacy of expectations.

In the West, changes in stakeholder expectations over time have given rise to new accountability frameworks, notably New Public Management. (The fact that NPM was driven by changes in stakeholders' expectations over time highlights the importance of exploring the nature of such expectations in detail.) NPM advocates aimed to improve the efficiency, cost-effectiveness, responsiveness and quality of public services. This was to be achieved by exposing service providers to market pressures from funders and/or clients while holding them accountable for their performance. Consequently, the state outsourced frontline service provision to NGOs and commercial providers, giving rise to third party government in which state-funded NGOs play a major role in service delivery. The same NPM frameworks have been applied to international aid, creating similar incentive structures, dynamics, and behavioural patterns as institutional donors increasingly outsource implementation to NGOs. Therefore, the literature on accountability in third party government in the West provides valuable insights for the study of accountability in international aid. For example, as the following chapter will show, the reasons for which states fund NGOs are strikingly similar at home and abroad, as are the effects of such outsourcing on the overall accountability landscape.

As accountability and power are intimately linked, studying accountability relationships in international aid provides a good entry point for exploring power relationships between governments, donors and NGOs, which the following chapter will do.

Chapter Three:
Accountability and Power in International Aid

The first chapter of this thesis documented the strong rise in governmental funding to aid and development NGOs, and the ensuing growth of NGOs in terms of both size and number. The second chapter reviewed the literature on accountability, concluding that successful account-holding hinges on stakeholders' *power to oblige* organizations to manage their expectations. As expectations often differ between stakeholders, and organizations can be reluctant to manage some of these expectations, accountability struggles can be a zero-sum game, creating losers as well as winners. For example, New Public Management (NPM) frameworks were created in order to make public services more accountable to citizens, but may have had the opposite effect in practice, not least by creating a fractured service provision landscape that makes responsibility hard to pinpoint. The third chapter of this thesis builds on the previous chapter by examining how various stakeholders use their *power to oblige* a range of aid organizations to manage often contradictory expectations within an international aid system structured along NPM lines. In order to enrich the theoretical discussion, this chapter occasionally illustrates key points by using empirical examples from Georgia and beyond.

This chapter consists of four sections. The first section traces donors' rising interest in aid accountability as a means to achieve better aid effectiveness. Drawing on the conceptualization of accountability as the obligation to manage various stakeholders' expectations developed in Chapter Two, the section argues that donors are mistaken in believing that they can become more accountable to stakeholders both at home and abroad because the expectations of these constituencies are often contradictory; donors' assumption that more accountability in aid will directly lead to better aid effectiveness is equally flawed. The second section argues that donors fund NGOs abroad for reasons similar to those driving government funding for NGOs inside Western countries. Working through autonomous non-profits enables state actors to reduce principal-agent problems, build supportive coalitions, and pursue controversial objectives with reduced accountability. The third section examines donor-NGO relationships in depth. In theory, within the donor-constructed aid system, NGOs compete for funds and account for their performance and finances. In practice, these accountability mechanisms cannot ensure that NGOs are efficient, effective or financially responsible. The result is phantom accountability: elaborate accountability safeguards on paper serve as a smokescreen to conceal the aid industry's lack of substantive accountability to external stakeholders in practice. Section four concludes this chapter by summarizing the key points of the theoretical framework. It then explains how this framework was used to structure the empirical part of this thesis, with each individual chapter focusing on one aspect of the theoretical framework.

Aid Accountability and Aid Effectiveness

In the years following the Cold War, accountability and corruption rose to the top of institutional donors' agendas. Following decades of donor silence about corruption (Ritzen 2005:107), and scant interest in accountability, these twin issues suddenly came to prominence due to two factors. The first factor was a spillover of the movement towards more accountability in the domestic politics of Western donor nations onto the international stage. The second factor was a general reassessment of aid. During the decades of intense US-Soviet rivalry around the globe, Western aid in general – and American aid in particular – had often been used to reward 'pro-Western' or 'anti-communist' regimes in Latin America, Africa and Asia for their political allegiance. A US government paper in 1982 explicitly stated that the United States Agency for International Development (USAID) "is an instrument of total US foreign policy" (Smith 1990:176; see also FitzGerald 1972). With the demise of the Soviet Union, the old geostrategic rationale for doling out Western taxpayers' money to developing world clients of dubious integrity had suddenly diminished. Looking back on decades of aid transfers to countries like Zaire, critics alleged that much aid had vanished into the Swiss bank vaults of corrupt dictators (Maipose 2000, Maren 1997). The poor in the developing world, the argument ran, had seen few if any of the benefits of aid, but were now being pressured by donors to repay loans once extended above their heads to their former oppressors. An internal World Bank evaluation concluded that over a third of Bank projects were failures by the Bank's own criteria (Rich 2002:27-28); according to one unofficial estimate, at least USD 100 billion in World Bank loan money had been lost to corruption alone (Winters 2002:101). Led by the World Bank, donors who had previously regarded

corruption within client states as a taboo subject (Ritzen 2005:107) now swung to the other extreme, identifying corruption as a major reason for why aid had often failed to reach the poor. At the same time, blaming corruption for aid failures had the advantage of placing the blame for aid failures on aid recipients, distracting from the role of donors and from the inequalities inherent in the global political and economic system itself (Anderson 2001). However, corruption remained a politically touchy subject, exposing donors to counter-charges of Western hypocrisy and cultural imperialism. Therefore, donors strove to depoliticize the issue by subsuming it under a wider discourse about accountability, a term with a far lower emotive register. Donors subsequently cast accountability as a key element of - and sometimes even a vital precondition for - aid effectiveness (for example, see HLF 2005, HLF 2008, DOS/USAID 2010).

The landmark Paris Declaration on Aid Effectiveness of 2005 (HLF 2005) aimed at heightening donor accountability towards those who provide the funds, the citizens and taxpayers of Western countries, as well as towards those for whom resources are provided, the governments and citizens of developing countries. Donors and recipient governments were to account more transparently towards each other, and to their respective citizens and parliaments, for their management of resources and results achieved. Meanwhile, recipient countries themselves were to guide the overall direction of aid by formulating their own development strategies. The follow-on 2008 Accra Agenda for Action (HLF 2008) reaffirmed the importance of transparency and accounting for results, and emphasized the role of 'civil society' in development. This donor discourse contains two implicit assumptions about accountability that mirror the general accountability discourse in the West. First, all stakeholders and organizations involved are pursuing an identical aim, that of development; therefore, there is no trade-off between making aid more accountable to stakeholders in the West and making it more accountable to stakeholders in aid recipient nations. Second, accountability is a good thing in itself, and more accountability will directly lead to better aid effectiveness; more accountability will always lead to win-win outcomes. The section below argues that both of these implicit assumptions are highly questionable.

First, donors posit that there is no trade-off between making aid more accountable to stakeholders in rich countries and making it more accountable to stakeholders in poor countries. Chapter Two defined accountability as the obligation to manage the diverse expectations generated inside and outside an organization, and argued that power influences which stakeholders' expectations are met by an organization, to what degree they are met. However, if all stakeholders involved in aid generate the same expectation – in other words, if they share a unified commitment to making aid more effective at achieving development, as implied at Paris and Accra – the problem of rival and mutually incompatible expectations does not apply to international aid, and stakeholders' varying levels of power over donors can be ignored. Therefore, according to donors, aid accountability is not a political issue because power relationships play no role in the pursuit of more effective aid. In other words, the discourse of the aid industry on accountability depoliticizes the issue by concealing the important role of power in shaping international aid interventions and the relationships that sustain them (see also Ferguson 1990).

During the Cold War, bilateral donors were understood to be accountable only to stakeholders in their countries of origin. Many Western countries established dedicated aid bureaucracies in the 1960s that were tasked with managing and overseeing resource transfers to dozens of newly independent countries (Wood et al 2001:11). These new entities were usually ministries, and like all other ministries were - and still are - primarily accountable to their own governments, parliaments and citizens (Actionaid 2008:8-9). Many scholars suggest that aid suffers from an "asymmetry of accountability" (Woods 2006:193): those most affected by it have the least power to call aid providers to account. According to this view, donors can hold recipient countries accountable by withholding or delaying aid, while aid dependent governments in the developing world have no power to call donors to account (Actionaid 2008:8-9). Having to render account to nobody in aid recipient countries, the story goes, donors can create alternative governance and service delivery mechanisms that completely bypass democratically legitimated host governments (Wanigaratne 1997:231, Maina 1998, Robinson 1996), draft national-level poverty reduction strategies without much prior consultation (Ritzen 2005:50), evade the scrutiny of host country audit institutions (TI 2007:9, Wedel 2001:35), work ineffectively without fear of negative consequences (Bolton 2007), and impose disastrous structural adjustment programmes, all the while lecturing host governments on the virtues of democracy and accountability.

Donor organizations in general, and bilateral donors in particular, have never been completely insulated from the domestic politics of rich countries. Bilateral donors are fundamentally driven by the politics of their countries of origin (Cook and Sachs 1999:437), with wide-ranging consequences for their operations abroad. For example, domestic support for aid in the US remains tenuous, and aid allocations regularly come under attack on Capitol Hill. Far from sharing a universal commitment to global development, many US stakeholders quite reasonably prefer their tax money to be spent within the United States rather than abroad. The constant danger of budget cuts has significant consequences for the way in which American aid is delivered. In order to defend their budgets, USAID and other federal agencies involved in giving aid are forced to build pro-aid coalitions to counterbalance their political opponents (Smillie and Minear 2004:171). They do this by meeting the expectations of selected powerful domestic stakeholders. Crucially, these expectations frequently center on economic growth and job creation inside the US, rather than on making aid more effective at achieving development abroad. The need to manage these domestic expectations leaves USAID and other federal agencies with little choice but to create aid programmes that are suboptimal from a recipient point of view precisely because they allocate such a large slice of the aid pie to American beneficiaries. Thus, academics regularly identify the United States as a donor exceptionally prone to delivering ineffective forms of aid such as tied aid, food aid and technical assistance (Easterly and Pfutze 2008:17). Over seventy percent of US aid is tied to the purchase of American goods or services (TI 2007:4), ensuring that a substantial proportion of aid resources will flow back into the United States. While tied aid is estimated to raise costs by between 15% and 40% (TI 2007:4), thereby greatly reducing the effectiveness of American aid in achieving development abroad, tied aid is very effective at managing domestic expectations revolving around economic growth and employment within the US. Similarly, the provision of food aid rather than cash often runs counter to the interests of poor farmers abroad, but does an excellent job at meeting the expectations of American farmers, agribusinesses and shipping companies. Technical assistance represents a diversion of aid funds away from recipient nations (Easterly and Pfutze 2008), but meets the expectations of development consulting professionals in the US (Moyo 2009). According to Sogge (1996b:151), the agricultural, manufacturing, trade and transport sectors, as well as the military, police, and professional and academic associations have all been given a stake in continued aid flows as part of this (eminently democratic) coalition-building exercise.

In the case of the US, there is a clear trade-off between making aid more accountable to stakeholders in rich countries and making it more accountable to stakeholders in poor countries because many of the most powerful domestic stakeholders in aid have little interest in making aid effective at achieving development. Less powerful foreign stakeholders, notably the poor themselves, lose out precisely because American aid is so highly accountable to domestic interest groups. In contrast, Nordic donors, who enjoy very high levels of domestic support, are widely credited with being the most effective bilateral donors (Smillie and Minear 2004:171). There are two possible explanations for this. First, Nordic donor organizations' public support may translate into less scrutiny of their programmes, thus protecting organizations that are (presumably) internally committed to achieving development abroad from having to manage countervailing domestic expectations on the same scale as those confronting USAID. In other words, Nordic donors may face less frequent or less powerful domestic calls to account for their activities, enabling them to fly beneath the public radar comparatively unaccountably as they benevolently transfer aid resources abroad. The second possible explanation is that Nordic donors are domestically accountable to the same degree as USAID is, but that the domestic stakeholders who wield the greatest power to punish and reward these organizations generate expectations that are far more aligned with the aim of making aid effective in achieving development. (Which of these explanations holds true is an empirical question that is beyond the scope of this thesis to answer.)

The second implicit assumption of donors' discourse in Paris and Accra is that accountability is a good thing in itself; more accountability will directly lead to better aid effectiveness. As argued above, the linkage between donors' domestic accountability and aid effectiveness is mediated by two factors: the content of the diverse expectations they have to manage, and by the relative power of the stakeholder generating a given expectation to obtain a satisfactory response to its demands. The assumption that there is no trade-off between making aid more accountable to stakeholders in the West and making it more accountable to stakeholders in aid recipient nations is only true if the interests of both stakeholder groups are perfectly aligned – which is rarely, if ever, the case.

Therefore, the claim that more accountable aid per se translates directly and inevitably into more effective aid is mistaken. Comparing USAID and the World Bank illustrates this point.

As a result of being continuously scrutinized and monitored by (frequently hostile) groups at home, USAID has become highly risk-averse, following a pattern also being displayed by other American public bodies (Behn 2001). In particular, USAID has developed an "almost obsessive fear of corruption" cases becoming public and then being used as ammunition by its critics (Bolton 2007:155, see also Carothers 1999:258). As it a result, it often shies away from directly funding recipient government systems that are beyond its direct control for fear of corruption scandals, instead preferring to fund stand-alone projects over which it has greater control. While such projects are much less likely to generate negative headlines, they are also widely seen to be less effective than systemic support would be in achieving development (Bolton 2007:108). In contrast, because the World Bank's accountability to taxpayers is diluted across its many different contributor states, the Bank is freer to take risks. While the US will routinely refuse to use its directly managed funds to support existing governmental systems in the developing world, it does not use its dominant role (Ritzen 2005:99) in the World Bank to prevent the Bank from doing so. On the contrary, the US takes advantage of the Bank's weaker accountability to taxpayers by encouraging it to engage in precisely the forms of assistance that USAID itself regards as too risky due to corruption concerns (Bolton 2007:132-133; an empirical example from Georgia in discussed in Chapter Five). Aid delivered by the World Bank may therefore be more effective because of, rather than in spite of, a lack of domestic stakeholders who demand that the organization manage their expectations.

To sum up, donors posit that there is no trade-off between making aid more accountable to stakeholders in rich countries and making it more accountable to stakeholders in poor countries, and that more accountability will automatically lead to more effective aid. Both of these assumptions are deeply flawed. The following section will explore how donors work through NGOs within an NPM framework centred on accountability for results and third party government.

Third Party Government in International Aid

NPM-inspired accountability for performance frameworks are increasingly being adopted by institutional donors active in international relief and development. An entire section of the 2005 Paris Declaration on Aid Effectiveness is devoted to "managing for results," defined as "managing and implementing aid in a way that focuses on the desired results" (HLF 2005). In addition to increasing overall aid accountability, and making aid accountable to a wider range of stakeholders, donors thus pledged to become accountable primarily for performance rather than for other factors, such as stewardship of resources. This donor drive towards accountability for performance closely mirrors domestic developments within donor nations themselves, where the implementation of New Public Management (NPM) frameworks has placed performance – rather than finances or fairness – at the heart of accountability relationships. The terminology used in the Paris Declaration clearly reveals its intellectual debts to NPM theory. Examples include the linking of "programming and resources to results", "performance assessment frameworks", "performance indicators", "results-oriented reporting and monitoring", and "results-based management" (HLF 2005). In effect, donors in Paris committed themselves to applying NPM frameworks to the management of international aid.

In its discussion of NPM, Chapter Two noted that NPM proponents intended to improve the efficiency, cost-effectiveness, responsiveness and quality of public services. In order to achieve these aims, governments implementing NPM outsourced many frontline services to large numbers of third party service providers, especially NGOs, and created an artificial marketplace in which these autonomous providers competed against each other for resources. As the state retreated into the role of "financier or arranger of services" (Salamon 1995:207), the service provision landscape fractured. For example, in the United States, NGOs deliver more publicly financed health and social services than the government itself does, resulting in third party government (Salamon 1995:34). The channelling of substantial public resources through non-governmental entities within Western countries has direct parallels in international aid, where institutional donors increasingly work through third parties, especially NGOs, to implement aid projects and programmes on the ground.

Considering the strong parallels between 'third party government' in the West and donor operations

abroad, it is surprising that the literature on donor-NGO[22] relationships in international aid rarely refers to theorists' work on state-NGO relationships inside Western countries. However, working independently, scholars studying aid have reached striking similar conclusions. For example, both the literature on NPM implementation in the West and the literature on international aid (see below) identify the same three factors motivating decision-makers to subcontract NGOs for service delivery, whether at home or abroad: reduced principal-agent risks, increased political support through coalition-building, and evasion of democratic accountability constraints. Building on Chapter Two, which explored these factors with reference to Western domestic settings, the following paragraphs examine them with reference to donor operations abroad.

The first factor driving donors to fund NGOs is the desire to minimize the principal-agent problems inherent in subcontracting by outsourcing implementation to trusted third parties. Donors see many governments and administrations in developing countries as being too corrupt and/or incompetent to provide services to their citizens. NGOs provide an alternative funding destination to donors who doubt the wisdom of channeling resources through host country systems (Pouligny 2006:72). According to this line of reasoning, donors turn to NGOs to ensure that aid and development funds are efficiently, effectively and – above all – honestly used, thereby increasing the proportion of official assistance funds actually reaching the poor. While donors could theoretically directly implement their aid and development projects themselves, NPM theory posits that NGOs should be more flexible and cost-effective in delivering aid and development on the ground (see also Chapter One).[23] Over the last decades, USAID's increased funding for NGOs has been paralleled by a steep drop in USAID's own staff numbers, from over 15,000 in 2003 to around 3,000 at present, turning America's largest donor into a "contracting agency".[24]

The second explanation for why donors often seek to work through NGOs centers on the domestic politics within donor nations. This explanation basically extends Salamon's (1995) theory of third party government onto the international stage. The first section of this chapter argued that donor organizations are subject to multiple political pressures within their countries of origin. In response to competing claims to public resources and budget-cutting attempts by interest groups hostile to foreign aid, donor bureaucracies attempt to build broad coalitions to defend, and if possible extend, their budgets. While donors support aid and development NGOs by giving them a share of – and a direct stake in – the official aid pie, and by including them on national advisory bodies on aid (Sogge 1996b:151), these NGOs return the favour by generating both elite and public support for greater budgetary allocations for international aid. NGOs are thus a vital part of pro-aid coalitions that also include corporate and other powerful interests (Smillie and Minear 2004:168; see also above). With their positive public image (more on this below) as selfless advocates for the poor and sophisticated public relations machines, NGOs collectively constitute the most credible and audible voice advocating for increased official aid budgets. Many donor bureaucracies strengthen this supportive voice by bankrolling NGOs' 'development education' programmes within their home countries with the aim of broadening and deepening the domestic support base for aid (Smith 1990:208, Sogge 1996b:150; for a recent UK example see Boin et al 2010). After years of such 'development education' programmes, fundraising drives and public relations campaigns, the public in many Western countries now sees aid and development as being virtually synonymous with NGOs. For

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[22] Donors also work through commercial contractors – often derided by NGOs as 'beltway bandits' – and UN agencies (see Chapter Six for an example of the latter). However, NGOs are the core beneficiaries of institutional donors' largesse. This chapter focuses exclusively on NGOs for three reasons. First, the same principal-agent dynamic is at work in all donor-subcontractor relationships. Second, the extensive literature on state-NGO relationships in the West (see Chapter Two) enables direct comparison of domestic and international settings. Third, focusing on a single type of subcontractor allows a more in-depth discussion of third party government dynamics in international aid.

[23] Donors also seem to believe that that funding local – as opposed to international – NGOs will in itself strengthen 'civil society', which the aid industry is currently promoting as a development goal in its own right. As the empirical data in this thesis rarely touches upon the activities of Georgian local NGOs, direct donor support for local NGOs is not further discussed here. The widely hypothesized links between NGO and 'civil society' are also not discussed, as they fall beyond the scope of this thesis.

[24] Figures and quote taken from the remarks of US Secretary of Defense Robert Gates at a roundtable discussion on the administration's new global development policy at the Annual U.S. Global Leadership Coalition Conference, Washington D.C., 28 September 2010. Transcript available at: http://www.state.gov/secretary/rm/2010/09/148304.htm (acc. 02 March 2011)

example, in Britain, the NGO Oxfam probably has higher name recognition than the official donor DfID, despite the fact that DfID's budget is over ten times as large.[25]

This conflation of NGOs and aid in the public imagination allows donor organizations to bask in the reflected glow of NGOs' superior reputations. In a 1986 survey, 85% of Americans were found to believe that a large amount of official aid was being wasted by the government, while 59% were confident that donations to NGOs reach the poor (Smith 1990:126). In other words, channeling funding through NGOs helps donors to legitimize aid and development budgets, and to strengthen stakeholder coalitions generating expectations for more aid, thereby counterbalancing rival expectations generated by groups calling for reduced aid budgets.

The third explanation for why state donors fund NGOs parallels the observation made within Western countries that working through NGOs may allow decision-makers to evade the obligation to render account to hostile domestic stakeholders and ensure that favoured programmes can be implemented even if they lack majority support. Domestically, donors financing NGOs can avoid having to secure approval for each and every activity. Abroad, the same applies, with an added international dimension: donors can also fund NGOs to create "alternate channels for diplomacy, thus allowing governments to pursue sensitive political objectives overseas with less accountability" (Smith 1990:196) while preserving the possibility of "plausible denial" (Smith 1990:204). For example, when the US State Department wanted to clandestinely channel funding to Syrian opposition groups in 2005, it did so by awarding a USD 6.3 million grant to a US-based NGO for the ostensible purpose of implementing a "Civil Society Strengthening Initiative" in Syria; some of this money eventually went towards financing the operations of an openly anti-government satellite TV channel beaming into Syria from London.[26] Acting through NGOs, donors can engage in politics without getting involved in party politics or with organized religious groups (Carothers 1991:211). For example, donors in Georgia wishing to provide funds to projects in the separatist territories of Abkhazia and South Ossetia run the risk of incurring the hostility of the Georgian government; furthermore, people living in those territories may not want to receive aid from America in particular. In such cases, donors may "hide" behind the United Nations by channeling funds through UN bodies.[27] Even funding for relatively uncontroversial NGO activities such as education and primary health care may have significant political effects. Cook and Sachs caution that financing service provision through NGOs on a large scale in fragile nations can – intentionally or not – result in the creation of virtual "surrogate national governments" (1999:436; though see Moore and Stewart 2000). Wanigaratne (1997:231) counters that NGO-implemented aid projects are too fragmented and uncoordinated to ever be able to displace central governments, but his analysis does not preclude the possibility that an overly resource-rich non-governmental sector may sideline or even undermine conventional democratic processes (Ritzen 2005:153) and contribute to a further weakening of the state (ICG 2009:20). Donor funding to NGOs may thus be a tool for the pursuit of hidden donor agendas within aid recipient countries.

To sum up, donors outsource some aid and development activities to charities because NGOs are thought to be more honest and effective at delivering aid and development, to build pro-aid coalitions at home, and to enable government agencies to pursue objectives abroad that may be controversial or even unpopular at home and/or in aid recipient countries.

Donors, NGOs and Phantom Accountability

The previous section has argued that one reason why donors fund NGOs is donors' desire to evade accountability. Engaging in third party government by working through NGOs enables donors to reduce or avoid the obligation to manage expectations by external stakeholders opposed to certain types of aid interventions, or to aid in general. These stakeholders may be located in a donor's home country or in aid recipient states where the donor disburses aid. The following section will use donor-

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[25] In the financial year 2009-2010, Oxfam GB spent GBP 219 million (Oxfam 2010:36). At that time, DfID's annual budget was around GBP 2.9 billion. Source: "Aid budget to be refocused to deliver better results", DfID press release, London, 16 June 2010. Available at: http://www.dfid.gov.uk/Media-Room/News-Stories/2010/Aid-budget-to-be-refocused-to-deliver-better-results-/ (acc. 14 April 2011)

[26] "U.S. secretly backed Syrian opposition groups, cables released by WikiLeaks show", The Washington Post, 17 April 2011

[27] Conversation with senior UN official, Tbilisi, June 2009.

NGO relationships to illustrate how an aid system that may look accountable on paper is in fact geared towards stymieing substantive accountability in practice, creating phantom accountability.

In order to manage the principal-agent problems inherent in working through third parties, donors have structured the system within which NGOs operate in three ways. First, donors have tried to expose NGOs to market accountability mechanisms by creating an artificial marketplace characterized by competitive tendering for grants and other contracts by NGOs. Second, donors hold NGOs accountable for performance, which is defined and measured via quantitative indicators; output monitoring is at times supplemented by outcome evaluations. While these first two approaches to working with NGO subcontractors are in line with the aid industry's NPM-inspired "managing for results" (HLF 2005) agenda, donors' third approach is rooted in more traditional bureaucratic forms of oversight and control: financial accountability. As stewards of public resources subject to their home countries' legislation, institutional donors impose financial controls and demand that NGOs account in detail for their use of taxpayers' funds. Therefore, the system within which aid and development NGOs operate is a hybrid between new and conventional public management approaches: NGOs are exposed to market accountability pressures, and must account to donors for their performance, but on the other hand must also financially account to donors for their use of inputs. These three strands of accountability are discussed below.

In line with NPM philosophy, institutional donors have deliberately created an artificial marketplace in which NGOs compete for donor funds. Donors issue 'requests for proposals' in which they broadly outline or precisely define - the level of detail varies strongly from case to case - which activities they are interested in funding, and the amount of funding available for this purpose. In response, individual NGOs develop and submit competitive proposals that specify how they would use donor resources to reduce human suffering or achieve development. Donors then review these proposals and – at least in theory – award the grant or contract to the NGO that designed the best project. The ostensible purpose of this tendering process is to subject NGOs to market pressures in order to stimulate innovation, motivate them to keep overheads low (Cooley and Ron 2002:11), and generate projects that deliver maximum 'bang for the buck'. In other words, NGOs are exposed to market accountability mechanisms to make them more efficient.

However, the market for aid and development created by donors is not a perfect market. Information about funding opportunities frequently travels along informal personalized networks (Pouligny 2006:72).[28] This "cocktail party factor" (Patron 1998:193, see also Saravanamuttu 1998:129) further exacerbates donors' general tendency to privilege INGOs and those LNGOs that are headed by westernized individuals with foreign language skills (Carothers 1999:271, Sampson 1996:136, Pouligny 2006:72) and which are already well known in donor circles (Maina 1998:158, Boonstra 2010:8). As a result, INGOs may crowd out LNGOs (Pouligny 2006:107; an empirical example from Georgia is discussed in Chapter Six), and a limited circle of local organizations led by individuals with good reputations and connections with donors enjoys considerable advantages in securing grant money. Less successful competitors who lack urbane sophistication and fluency in 'donor-speak' often remain invisible to donors (Maina 1998:166), despite the fact that they may be closer to the 'grassroots' regularly invoked in donors' rhetoric. Decision-making processes on proposal selection are frequently opaque (Smillie and Minear 2004:165) and perceived as biased by NGOs (Barr et al 2004:28). Rather than judging proposals purely on their merit, donors tend to prefer funding INGOs over LNGOs (Carothers 1999:238, Pouligny 2006:72), at times explicitly restricting eligibility to international organizations. Some donors use national NGOs for "flag-waving" (Smillie and Minear 2004:166 and 195), giving preference to organizations headquartered in their own countries. More broadly, European INGOs are more likely to get EC funding, while American INGOs are more likely to get funding from USAID and other US donors.[29]

To sum up, market accountability pressures on NGOs are severely distorted. NGOs' competition for projects does not take place in an ideal market; information is far from perfect, and the playing field is not level. Also, donor decision-making on awarding project funds is not exclusively governed by rational-legal considerations centered on a proposal's merit, is often opaque, and contains no

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[28] This also applies to Georgia. Conversation with Executive Director of development LNGO, Tbilisi, February 2009.
[29] Conversation with Country Director of INGO, Tbilisi, May 2009.

avenues of appeal that could constrain a donor's unilateral decision-making power. More fundamentally, the 'buyers' of NGO proposals on the aid marketplace are donor officials rather than aid recipients. NGO competition revolves around being responsive to foreign funders' priorities and expectations, rather than those of aid recipients, leaving the underlying principal-agent problem unresolved (Cooley and Ron 2002, Dichter 1997). In other words, "the client is always the donor".[30] The net effect of this donor-designed artificial marketplace is to increase donors' power over NGOs, whose institutional survival hinges on pleasing their funders and pandering to their priorities: NGOs are obliged to manage and favourably respond to donors' expectations.[31] In cases where donor and aid recipient expectations are not perfectly aligned, this directly reduces NGOs' accountability to the poor, as NGOs will prioritize managing powerful donors' expectations over managing any rival expectations generated by the (comparatively) powerless poor.

In addition to making NGOs compete for projects, donors also try to hold them accountable for their performance. In line with the overall trend towards performance accountability in the US at the time, USAID established an NPM-style "performance management system" revolving around well-defined objectives and quantitative indicators in the mid-1990s (Carothers 1999:270). This system covered not only activities directly implemented by USAID, but also those of its grantees, including NGOs. Other donors followed suit, making the 'logframe' (short for "logical framework") – a planning and management tool that establishes performance targets and tracks their subsequent achievement through quantitative indicators – a required feature of virtually all NGO project proposals to donors. By now, NGOs have internalized the logframe approach to such a degree that most experienced proposal writers (including the author) complete a proposed project's logframe before they write the narrative sections, and project managers during implementation routinely refer back to the original logframe to track their progress against goals. Formal reporting to the donor at the end of the project also centers on the logframe, with NGO reports to donors seeking to demonstrate successful implementation with reference to how the project performed against the quantitative targets established at its outset. To NGOs, this can feel like an "exercise that you do to satisfy donors, which to an extent it is".[32] The experiences with NPM in some Western countries suggest that performance indicators can have severe drawbacks: significant costs, excessive bureaucratization, displacement effects, privileging outputs over outcomes and quantity over quality, perverse incentives, stifled communications and impeded learning, the temptation to manipulate assessment frameworks and data, and 'symbolic behaviour' (see Chapter Two for a full discussion).

Accounting for performance by donors (to their headquarters) and NGOs (to their funders) implicitly relies on effective monitoring to compile figures and verify their accuracy. Such on-the-ground monitoring is rarely conducted by donors, who instead require NGOs to monitor their own outputs. Considering the clear conflict of interest involved, this approach is highly problematic. For example, preliminary needs assessments are done by the same NGOs that later submit proposals to secure donor money; some NGOs have been suspected of inflating numbers at this early stage (Smillie and Minear 2004:201, Rieff 2008:4). While large NGO projects do have internal monitoring structures, these are virtually always inadequate (Manji 2000:76). Even sophisticated monitoring systems may fall prey to conflicts of interest as NGOs face incentives to inflate their performance figures in their formal reporting to donors. According to one NGO worker, "corruption enters the scene when activities need to be faked and money spent" (quoted in Miramanova 2006:34). The pressure to meet quantitative targets creates incentives to manipulate figures for individual donor staff, donor country offices and donor headquarters. The "public relations imperative" of donors in general – and embattled USAID in particular – to prove their worth to domestic stakeholders through numerical successes can tempt them to use numbers as a protective shield against their critics, threatening to distort learning and analysis. For example, based on its performance indicators, USAID reported that American-funded NGOs had helped to "restore democratic momentum" in Cambodia during 1997, a year in which the elected First Prime Minister was ousted in a bloody coup (Carothers 1999:292-298). During a UN-led training session for NGOs in Tbilisi, the facilitator informed NGO representatives that "a good monitoring or evaluation report is also good visibility" and could serve to attract additional

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[30] Conversation with former Chief of Party of INGO, Tbilisi, 2006.
[31] In the words of a seasoned expatriate aid worker, INGOs faced with the need for donor money often behave like "vultures looking for crumbs". Conversation with Country Director of INGO, Tbilisi, May 2009.
[32] Conversation with former donor official, Tbilisi, April 2009.

funding from donors in what an accompanying slide called "a highly competitive environment".[33] Similarly, one UN representative explained that his agency was conducting a nutritional survey among children in order to advocate with donors for longer-term food aid funding.[34]

In the aid industry as elsewhere, quantitative indicators are generally used to predefine and subsequently document projects' outputs, rather than the ultimate outcomes of NGO projects as a whole. If the principals in aid (donors) could successfully gauge the ultimate outcomes of NGO projects, the problems surrounding the measurement and verification of outputs would be of little relevance. However, while monitoring outputs is a comparatively straightforward task, evaluating outcomes is difficult even in theory (Carothers 1999:281; see also Frey 2006): what are the criteria for success, and how can definite causal links be established? Serious as they are, these methodological problems pale against the shortcomings in the practices governing evaluations within the aid industry, where conflicts of interest abound. Evaluators are often selected by the person heading the project to be evaluated (Wood et al 2001). Later, the donor organization's officer responsible for overseeing the project may set up evaluators' site visits and select those to be interviewed, who in turn may refrain from making critical comments in order not to risk the entire project, prompting Maina (1998:160) to speak of "stage-managed evaluation interviews". In a volume dedicated to the evaluation of humanitarian action, Wood et al highlight that evaluators themselves also regularly face conflicts of interest: "We all know that a too critical review might put at risk the next job, while glowing praise tends to be appreciated by the client" (2001:71, see also Carothers 1999:287). Career-conscious evaluators must take into account that there are frequently hidden agendas behind evaluations (Wood et al 2001:168) and may face pressure to tone down any critical findings (2001:145).

To sum up, accountability for performance on paper rarely translates into substantive accountability for the actual performance of relief and development projects. Instead of using quantitative indicators to track and monitor performance, donors and NGOs both use indicators to legitimate past, current and future activities, to defuse and counter criticisms from hostile stakeholders, and to shore up claims of success. Monitoring and evaluation mechanisms are weak and riddled with conflicts of interest, virtually guaranteeing that aid interventions are portrayed as successful. Crucially, both the principals (donors) and agents (NGOs) share a strong vested interest in maintaining a façade of success behind which failures and ambiguous results remain concealed. Maintaining this façade depends on the collusion of funders and grantees (Wedel 2001): NGOs provide upbeat data of dubious quality and veracity to donors who then choose to take this data at face value. Donor officials rarely attempt to verify questionable performance data in the field because they too want 'good numbers' to pass up to their superiors, who in turn aggregate the data to document the donor agency's successful performance on a national, sectoral or even global level. Unable to escape the obligation to manage the expectations of various powerful stakeholders (such as US Congress), including those of hostile stakeholders looking for reasons to cut aid budgets, donors account for their budgets and operations by supplying 'hard evidence' chiefly compiled for the purposes of self-legitimization and self-defense.[35] This quantitative performance data that has all the appearance, but none of the substance, of a substantial rendering of account on the performance of aid. The end result is phantom accountability, a facade of accountability deliberately created to conceal a lack of substantive accountability.

In their attempts to hold NGOs accountable, institutional donors complement market accountability pressures and NPM-style accountability for performance through indicators (see above) with the more traditional bureaucratic tool of requiring NGOs to account for their use of inputs through financial reporting, which may at times be verified through financial audits. Market accountability is intended to increase efficiency, and accountability for performance aims to increase both efficiency and effectiveness. In contrast, accountability for finances is primarily geared towards preventing misuse of funds and corruption. The following paragraphs will discuss financial accountability with particular reference to corruption, as aid providers' handling of corruption cases is an especially illuminating example of how donors and NGOs collude to hide problems and setbacks in international aid behind

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[33] FAO training session on "Beneficiary Results Assessment Methodology", Tbilisi, March 2009. An INGO monitoring and evaluation expert told the author that from an NGO perspective, the donor-NGO dynamic was about "how to keep the donor happy" (conversation in Tbilisi, May 2009).
[34] UN official speaking at Food Security Cluster meeting, Tbilisi, January 2009.
[35] Conversation with former Chief of Party of INGO, Tbilisi, 2006.

the façade of aid success.

Donors and NGOs generally do not go public about problems and setbacks in their programmes and projects. Of the myriad problems that may arise during an aid programme, corruption is arguably the most sensitive. Carothers explains that "US aid givers, especially USAID, live in fear that even the smallest misuse of their funds abroad will become subject of congressional inquiry or media attention, threatening the already tenuous support for foreign aid" (1999:258; see also Mendelson 2001:70). Similarly, when NGOs detect corruption in their projects, their greatest fear is that the ensuing reputational damage could endanger the future flows of funds from both institutional and private donors (TI 2008:7). In particular, stories about corruption in INGO projects would "shatter the moral myth" (Fowler and Biekart 1996:131) enveloping these charities in the Western public imagination. In addition, INGOs are concerned that discussing corruption openly could have a negative impact on their organizational morale, program delivery, reputation with beneficiaries, and security. Therefore, when donors or INGOs detect instances of corruption, they generally prefer to deal with the issue quietly, if at all (TI 2008). This means that even in countries with functional legal systems – a rarity in emergency aid contexts in particular – donors and INGOs generally do not take corruption cases to court (Fowler and Biekart 1996:131). For example, a former donor official with years of experience in Georgia reported never having seen a grant-receiving organization or an individual NGO employee taken to court for corruption in that country.[36]

Internally, INGOs sometimes choose to transfer rather than fire corrupt staff (TI 2008:15), and do not terminate contracts with corrupt LNGO sub-grantees (TI 2008:17), preferring instead to monitor the organization in question more closely thereafter (Carothers 1999:218).[37] Corrupt individuals within the aid industry face a low chance of detection,[38] and a comparatively low probability of punishment and very low severity of punishment if caught. Common sense and the literature on crime and corruption all suggest that this lack of deterrence is likely to result in comparatively high levels of corruption.[39] It is therefore unsurprising that corruption within NGO projects in developing countries, and especially within projects implemented by local NGOs, is widely believed to be significant in scope and scale (Torabi 2007, Cremer 1998:11, Maina 1998:163, Miramanova 2006, TI 2008; for a dissenting view see Mershrod 1997). Corruption is believed to be particularly widespread in acute humanitarian emergencies, which are characterized by difficult operating environments, strong pressures to disburse seemingly limitless funds rapidly (Cremer 1998), and the suspension of normal procurement and audit rules (ICG 2006:6).

Nevertheless, corruption within aid and development NGOs remains a taboo subject (Torabi 2007:21, TI 2008), and instances of corruption within organizations and their projects are usually not documented on paper, even internally. For example, in 2003-2004 the author worked on a very large INGO project in Georgia that formed community-based organizations in 300 rural locations and then provided them with funding for micro-projects. Concerns about corruption were widespread amongst expatriate project managers, who assumed that most village organizations were skimming project funds to some degree, sometimes severely affecting the quality of micro-projects (which the project's quantitative performance indicators did not capture). Several national staff members were forced to resign – as opposed to getting fired – due to financial irregularities. Nevertheless, the INGO's formal reporting to the donor only mentioned two cases of corruption in which village counterparts had stolen large lump sums of money, endangering the entire micro-projects in their localities (whose failure would have been reflected in unmet performance targets). The INGO eventually successfully pressed the community-based organizations involved to somehow complete their projects, no matter at what

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[36] Conversation with former donor official, Tbilisi, April 2009. An experienced expatriate aid worker could also not recall any instances of an NGO being prosecuted by a donor, anywhere in the world (conversation in Tbilisi, May 2009).

[37] A mid-ranking donor official working for an international organization in Georgia for over five years was unable to recall a single instance in which an NGO had been forced to repay funds to his organization (conversation in Tbilisi, May 2009).

[38] A researcher working for an international aid accountability organization reported that only one single INGO country office (that of Save the Children) among those that she had interviewed in Tbilisi had been externally audited. (Conversation with researcher, Tbilisi, March 2009.)

[39] For example, see Cartier-Bresson 1997, Coleman 1987, Gorta 1998, Gorta and Forell 1995, Hollinger and Clark 1983, Holmes 2006, Klitgaard 1988, Lilly et al 2002, Palmer and Maher 2006, and Stapenhurst and Langseth 1997.

quality, enabling it to report to the donor that the problem had been solved and the performance targets achieved. Crucially, this served the interests of the donor and those of the INGO in equal measure. If the INGO had formally reported that missing funds had not been recovered, it would have forced the responsible donor official to initiate complex procedures mandated by the donor country's domestic legislation on public financial management (Cremer 1998), generating more work for donor and INGO staff alike. It might also have exposed the donor organization to flak from hostile stakeholders both at home and inside Georgia. For these reasons – administrative, political and reputational – the donor actively discouraged the INGO from taking any individuals or sub-grantee organizations involved in corruption to court, and generally preferred all corruption cases to be dealt with quietly and without leaving an official paper trail. The INGO was equally keen to keep corruption cases quiet for the same reasons, and was therefore happy to comply with the donor's request.[40]

Donor organizations are disinterested in detecting corruption[41], but at the same time impose cumbersome and very detailed financial reporting requirements on their non-governmental grantees. While the extent of financial accountability demands varies by donor – American donors make the strongest demands, while Nordic donors are more relaxed (Carothers 1999:218) – donor-funded NGO projects are usually required to produce a huge amount of paperwork tracking the flow of funds. As governmental entities, bilateral donor organizations in particular are required to comply with the public sector accounting laws, standards and practices of their home countries, and donor officials use financial documentation produced by NGOs to enable their superiors at headquarters to satisfy these requirements. As with performance data, this financial data does not necessarily reflect realities on the ground. For example, Cremer convincingly argues that receipts are useless as a control mechanism in underdeveloped countries, where there are often whole "cottage industries" of creating fraudulent receipts (1998:5). With reference to such operating environments abroad, Maina brands donor requirements for documentation that meets their home countries' public sector accounting standards as inherently unrealistic (1998:157, see also Cremer 1998:10). For example, in one survey of Ugandan LNGOs, one third of them were unable to provide figures for revenues and expenditures upon request (Barr et al 2004:16). Even the book-keeping systems of INGOs have been described as "poor" (Pande 1998:198).

Institutional donors sometimes conduct audits of their grantees to ascertain that funds are correctly spent. In the popular imagination, audits are to financial accountability what monitoring and evaluation are to performance accountability: a control mechanism that appears to ensure that information provided on paper corresponds to facts on the ground, and that no money has gone missing. In reality, however, audits by institutional donors rarely detect corruption within NGO projects, in large part because these audits are not designed to unearth evidence of malfeasance (Cooksey 2003 and 2004). Instead, donor audits customarily focus on the internal consistency of financial documentation alone (Cremer 1998). For example, an auditor working for a donor organization visited TI Georgia in 2009 to conduct a sample audit of some financial documentation produced by a project the donor had funded.[42] The auditor reviewed the petrol log book and one employment contract to see whether they were internally consistent and corresponded with the figures given in the NGO's project budget and formal report. While this audit did confirm that the NGO had professionally accounted for its use of funds and produced consistent figures, it would have been unable to detect misappropriation. If the NGO had resold the petrol or used it for non-project purposes, or padded its payroll by reporting 'ghost employees' – both are common forms of LNGO corruption in Georgia – the audit would have been unable to detect it. Therefore, the audit served neither to detect nor to deter corruption. Instead, it served only to "provide comfort" (Power 1997), enabling the donor's country office to reassure headquarters that all was well within the programmes it was funding.

This section has highlighted fundamental flaws in the market accountability, performance

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[40] The author wrote a case study about one corrupt episode within the project for the INGO's internal consumption. This study (Tbilisi, 2004) remains unpublished and confidential, and is not cited in the bibliography.
[41] Of course, some individual donor officials do try to detect corruption, or at least some forms of corruption. Some practices, such as 'double dipping' of insufficient salaries, are more likely to be tolerated than others. Conversation with former donor official, Tbilisi, April 2009.
[42] The auditor visited several of the donor's LNGO grantees in Tbilisi in May 2009. His visit was not motivated by suspicions that TI Georgia or any of its projects might have been misusing funds. The author obtained the auditor's verbal consent prior to shadowing him during his visit to TI Georgia, and conducted an informal interview with him the following day.

accountability and financial accountability systems imposed by donors on NGOs. Market accountability is limited because the marketplace for aid and development projects is far from perfect, and because donors – rather than the poor – are the clients for whose allegiance NGOs must compete. The general drawbacks of accountability for performance are also evident in aid, and are further compounded by glaring conflicts of interests in the monitoring of outputs and the evaluation of outcomes. Finally, financial accountability mechanisms seem unable to ensure that donor funds reach their intended destination. Donors and NGOs both have an interest in presenting aid interventions as successful and free from corruption, and collude to jointly reproduce aid narratives in which projects are nearly invariably presented as successes and problems are glossed over (Hinton 1993). The result is phantom accountability, characterized by elaborate accountability mechanisms and safeguards that construct a façade of accountability out of mountains of largely meaningless paperwork, while at the same time stymieing substantive accountability in practice. The following empirical chapters will show that such phantom accountability is not limited to donor-NGOs relationships. Rather, it is a characteristic of the international aid system as a whole.

Conclusion

The theoretical framework of this thesis has argued that accountability and power are intimately linked. Accountability is often an arena of contention in which stakeholders bring their power to bear on organizations in order to oblige them to manage their own expectations, sometimes at the expense of managing expectations generated by less powerful stakeholders. This holds true in the field of international aid, where donors often prioritize managing the expectations of powerful stakeholders in their country of origin, not infrequently at the expense of the poor. As a direct result of such accountability pressures by the powerful, aid often becomes less effective at relieving suffering and achieving 'development' for the powerless; contrary to what the depoliticized discourse of the aid industry suggests, more accountable aid is thus not always more effective aid. In fact, while donors publicly proclaim their commitment to enhancing the accountability of aid to stakeholders both at home and abroad, they often intentionally manoeuvre in order to make themselves less accountable to certain stakeholders, in particular to those who seek to cut foreign assistance budgets. This double game is visible in the accountability mechanisms governing donor-NGO relationships. At first glance, these multiple mechanisms appear to collectively constitute a highly accountable system, but a more thorough examination reveals that every single mechanism is actually geared towards limiting the aid industry's accountability towards external stakeholders by invariably presenting aid interventions as successful at achieving 'development' on paper even when aid programmes and projects are inefficient, ineffective or corrupt in practice. The result is phantom accountability, in which elaborate accountability safeguards on paper serve as a façade behind which the aid industry can conceal its continued lack of substantive accountability to external stakeholders, especially the poor.

Chapter One argued that studying accountability in international aid provides a promising entry point for exploring power relationships within the aid industry. Chapters Two and Three developed a theoretical framework to guide this exploration of accountability, power and international aid. The following three chapters will juxtapose the theoretical framework with empirical data drawn from case studies of international interventions in the Republic of Georgia in order to examine how power relationships influenced accountability relationships in aid. The case studies were chosen to collectively cover a wide range of aid interventions in terms of scale (from a billion-dollar macro-level aid package to 2,100 calorie food packages), type (from emergency relief to long-term development), and players involved (from governments over donor agencies and NGOs down to individual aid recipients) in order to test the limits of the theoretical framework's applicability and validity. In order to maintain conceptual clarity amidst this panoply of empirical data, each chapter focuses on a specific aspect of the theoretical framework.

Chapter Four explores how rival stakeholders struggled to oblige aid providers to prioritize managing their own expectations at the expense of those voiced by other stakeholders during initial emergency relief operations and a subsequent donor conference. Operating in an environment in which geopolitical stakes were high, aid providers consistently prioritized managing the expectations of those stakeholders with the greatest power to punish or reward them. Sometimes, conflict-affected and poor Georgians were the direct losers in these power-laden accountability structures, highlighting the fact that – contrary to the hidden assumptions underlying the aid industry's discourse (Escobar 1995, Ferguson 1990) – not all stakeholders' expectations revolve around making aid more effective

at relieving human suffering and achieving 'development'. Chapter Five examines how the legitimacy accorded to external stakeholders and their expectations during the formulation of state policy on the displaced shifted over time in tandem with the balance of power between donors and the Georgian government. When their power vis-à-vis the government was high, donors and their allies succeeded in obliging the government to meet their expectations on paper, only to be foiled when their power waned as the policy moved into the implementation stage. Moving on to examine donors' involvement in a government-led resettlement programme for displaced Georgians, the chapter then presents empirical evidence to support the claim that aid provided by less accountable donors can sometimes be more effective aid (see also above), throwing doubt on donors' often-stated belief that "[t]ransparency and accountability are essential elements for development results" (HLF 2008:Point 24). Chapter Six concludes the empirical part of this thesis by complementing the discussion of struggles between rival stakeholders in Chapter Four with an exploration of accountability struggles between stakeholders and organizations in the context of bulk food aid. The chapter documents how individual aid recipients' lack of power over aid providers freed the aid industry from the obligation to manage recipients' expectations, suggesting that attempts at account-holding must be backed by power to succeed.

All three empirical chapters follow the same basic structure in order to make the argument flow smoothly and facilitate comparisons between the disparate cases being discussed. The discussion of each case study is loosely structured around seven questions:

1. What happened?
2. Who were the main aid providers?
3. Which players had the power to reward or punish these aid providers?
4. What were the interests and expectations of these powerful players?
5. What information on aid did stakeholders have?
6. How did formal accountability standards shape actions on the ground?
7. Which stakeholders were unable to hold aid providers accountable?

Question 1 introduces the case study and situates it in a wider context. Questions 2-4 closely reflect the theoretical framework. Thus, question 2 deals with organizations, question 3 with stakeholders and their relative power over the organizations involved, and question 4 with the content of the expectations of these stakeholders, i.e. the demand side of accountability. As access to information is a necessary – but not sufficient – precondition for accountability (see Chapter Two), question 5 asks which stakeholders had access to what information about aid. Formal standards provide objective benchmarks that define what organizations should or should not be doing. Therefore, question 6 asks which standards governing aid providers' conduct were applicable to the case being studied, and explores to what extent these standards – and stakeholders' reference to them – shaped organizations' actions on the ground. Finally, question 7 asks which stakeholders failed to oblige aid organizations to manage and/or meet their expectations, and why.

Each empirical chapter closes with a discussion of four hurdles that were repeatedly found to hamper stakeholders' ability to hold aid providers in Georgia to account. The first, limited access to information, has already been discussed above. The second is pinpointing responsibility; the literature on NPM suggests that in fractured service provision landscapes, stakeholders often find it hard to pinpoint responsibility, leading to reduced accountability. The third and fourth hurdles deal with the demand side of accountability, which has received comparatively little attention in the literature. Due to limited demands for accountability and a limited capacity to translate existing expectations into effective account-holding, domestic stakeholders in Georgia (with the notable exception of the executive branch of government) usually failed to hold aid providers to account.

Chapter Four:
Geopolitics, Humanitarian Relief and Macro-Level Aid

On August 8, 2008, Georgia and Russia went to war. Within five days, Georgia's armed forces had crumbled under the Russian onslaught, leaving the country defenceless. Russian troops supported by local militias occupied most of the territory of the self-proclaimed republic of South Ossetia. The Russian army then entered Georgia proper[43], occupying several towns in western Georgia and the central Georgian town of Gori. Russian soldiers continued their advance until August 15, when they halted within striking distance of Tbilisi, Georgia's political and economic capital.[44] On October 9, Russian troops largely completed their withdrawal from Georgia proper.[45] To this day, they remain based in Abkhazia and South Ossetia, two separatist entities that Moscow unilaterally recognized as independent states on August 26, 2008.[46]

The immediate effects of the war were the virtual elimination of Georgian military capability[47], the flight of over 100,000 Georgian civilians to areas under government control, some limited damage to infrastructure in the immediate conflict area, and the temporary severing of Georgia's main east-west highway and railway line, effectively cutting Tbilisi off from the country's main export routes (UN/WB 2008a). The longer-term effects of the war for Georgia included the probably permanent loss of control over South Ossetia and Abkhazia[48], the loss of prospects for NATO membership[49], the long-term displacement of over 20,000 ethnic Georgians, a banking crisis, a severe economic downturn coupled with a loss of confidence among domestic and foreign investors (UN/WB 2008a), and a period of domestic political instability that culminated in a failed attempt by the political opposition to topple the government through mass street protests in 2009.[50] On August 13, 2008, the United States launched a military-led operation with the purported aim of providing humanitarian relief to conflict-affected Georgians. Following the stabilization of the situation on the ground and a needs assessment mission, international donors on October 22, 2008, pledged USD 4.5 billion in humanitarian and development aid to Georgia over the next three years.

This chapter uses the August relief mission and the macro-level aid package developed in September-October as case studies to explore the links between power and accountability in international aid. In particular, it focuses on power-laden accountability struggles between diverse stakeholder groups vying with each other to oblige aid providers to manage – and, if possible, fully meet – their often conflicting expectations. The first case study discusses how aid organizations prioritized managing the expectations of those stakeholders that held the greatest power over them, in particular the US executive, resulting in a "military-humanitarian operation" that often failed to manage the expectations of less powerful stakeholders, notably those of conflict-affected Georgians themselves. Due to countervailing pressures exerted by rival stakeholders and their own inability to reward or punish aid providers, displaced Georgians were unable to oblige emergency relief actors to meet their expectations for palatable food and sufficient bedding. The second case study explores how a powerful stakeholder coalition comprised of Western governments and the Georgian leadership developed a USD 4.5 aid package that met their own shared expectations for state and regime

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[43] Many Georgians object to the use of the term "Georgia proper" to describe the territory of Georgia minus South Ossetia and Abkhazia, arguing that these two areas are an integral part of the sovereign Georgian state, both historically and under international law. The term is used here for the sake of simplicity.

[44] "Russian forces still entrenched in Georgia", Associated Press, 16 August 2008

[45] "Russia hands over control of Georgian buffer zones to EU", RIA Novosti, 09 October 2008. Available at: http://en.rian.ru/world/20081009/117637460.html (acc. 21 Dec 2010)

[46] "Russia Backs Independence of Georgian Enclaves", New York Times, 26 August 2008

[47] "Six days that broke one country - and reshaped the world order", The Guardian, 16 August 2008

[48] "The west shares the blame for Georgia", Financial Times, 13 August 2008. [Comment by Anatol Lieven.] Available at: http://www.ft.com/cms/s/0/95713d6c-6966-11dd-91bd-0000779fd18c.html#axzz1KAIeU7Ix (acc. 07 Jan 2010)

[49] "Should Georgia abandon its NATO aspirations?", Eurasianet, 28 October 2010. Available at: http://www.eurasianet.org/node/62257 (acc. 21 Dec 2010)

[50] "Opponents Vow Protests Will Last 'As Long As Needed' To Oust Georgian President", Eurasianet, 09 April 2009. Available at: http://www.rferl.org/content/Georgian_Opposition_Vows_To_Protest_As_Long_As_Needed_Until_President_Resigns/1604901.html (acc. 07 Jan 2010)

strengthening in Georgia at the price of not managing incompatible expectations voiced by parts of the opposition and some local NGOs or Georgian citizens' priorities for the allocation of aid resources. Each case study is structured in line with seven guiding research questions posed throughout the empirical part of this thesis (see Chapter Three for more details).

The chapter concludes that accountability relationships in both case studies reflected power relationships: whenever stakeholders' expectations were at odds, aid providers consistently prioritized managing the expectations of those stakeholders who wielded the greatest power over them. Conversely, stakeholders lacking such power were completely unable to hold aid organizations to account. The chapter closes with an exploration of four hurdles that hampered stakeholders' ability to hold aid providers in Georgia to account in both case studies: limited access to information, difficulties in pinpointing responsibility, and domestic stakeholders' limited interest in holding aid providers to account, coupled with a limited ability to do so.

The "Military-Humanitarian Operation" of August 2008

- ***What happened?***

The first United States 'relief flight' landed at Tbilisi airport on August 13, 2008, with a cargo of medical supplies and bedding, marking the beginning of Operation Assured Delivery.[51] A US embassy press release issued on the same day described the initial flight as a humanitarian mission, stating that USAID "is coordinating the distribution of the humanitarian assistance" through five NGOs.[52] However, also on the same day, President Saakashvili offered a rival interpretation:

> "the United States is starting a military-humanitarian operation in Georgia… Georgian ports and airports will be taken under the control of the U.S. defense ministry in order to conduct humanitarian *and other* missions. This is a very important statement for easing tension."[53] [emphasis added]

The US operation set off a diplomatic war of words between Russia and the US in which each side asserted its own humanitarian motivations while accusing the other of hidden non-humanitarian agendas. Later that month, after several US warships had docked in Georgian-controlled ports and had begun unloading relief goods,[54] Russian Prime Minister Putin asked "why this aid is being delivered with warships armed with modern missile systems".[55] President Medvedev accused the American ships of delivering arms to Georgia under the guise of aid, prompting a strongly worded US denial.[56] When French president Sarkozy also criticized the US decision to send "warships" to Georgia, a White House spokesman responded that "I do not know what warships he is referring to, but I think the people of Georgia greatly appreciated the US Navy ships that delivered much needed humanitarian supplies to them."[57]

According to Greg Hansen, the author of an authoritative study on relief efforts in Georgia (2009), the humanitarian rationale publicly given by the US was disingenuous. He asserts that the main objective of the operation was to put a "humanitarian tripwire" of US servicemen in uniform on the ground in Georgia to deter further Russian advances on Tbilisi and ports still under Georgian control. In fact,

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[51] "U.S. Navy, Aircraft to Deliver Aid to Georgia", Civil Georgia, 13 August 2008

[52] "Arrival of Humanitarina [sic] Flights to Georgia", US embassy press release, Tbilisi, 13 August 2008. Available at: http://georgia.usembassy.gov/pr08132008-aid.html (acc. 22 Sept 2008)

[53] "U.S. to take control of Georgian ports: Saakashvili", Reuters, 13 August 2008. Available at: http://www.reuters.com/article/idUSLD49893320080813 (acc. 22 Sept 2008). Independent observers saw a clear link between the 'humanitarian' mission and military objectives. A British newspaper noted that "President George Bush said he would send soldiers to deliver humanitarian aid, meaning that US military planes would be flying into the country considered by Russia as its strategic back yard. The US Secretary of State, Condoleezza Rice (…) said: 'This is not 1968 and the invasion of Czechoslovakia, where Russia can threaten a neighbour, occupy a capital, overthrow a government and get away with it. Things have changed.'" Source: "Bush sends message to Russia with aid mission to Georgia", The Independent, 13 August 2008

[54] "Russian Official: Presence of NATO Ships the Wrong Signal to Saakashvili", Civil Georgia, 28 August 2008

[55] "Putin on Georgia's Humanitarian Aid, NATO Ships in Black Sea", Civil Georgia, 02 September 2008

[56] "'Arms under Guise of Aid' Allegation 'Ridiculous' – White House", Civil Georgia, 27 August 2008

[57] "U.S. Official Responds to Sarkozy's Bush Criticism over Georgia", Civil Georgia, 15 November 2008

President Bush had issued an executive order making the entire US humanitarian response in Georgia the purview of the Department of Defense (Hansen 2009:30), thereby giving the military the leading role in the relief effort. Hansen concludes that due to the limited scale of humanitarian needs in Georgia at the time and the

> "ample humanitarian capacity on the ground and in reserve… military involvement in the humanitarian response was not needed on humanitarian grounds… Political and diplomatic actors – who often used donor agencies as their proxies – [were] … instrumentalizing humanitarian action [more] in the service of political agendas than for facilitating an effective humanitarian response" (Hansen 2009:9 and 2009:20).

In most relief operations, water and sanitation are prime concerns, but IDPs in Georgia generally had access to clean drinking water and human waste disposal facilities. Also, markets throughout Georgia remained replete with fresh and canned food, milk, baby food and hygiene supplies.[58] However, the Department of Defence never consulted with USAID on the composition of relief supplies (Hansen 2009:28). American soldiers delivered goods of limited utility to Georgia's displaced, including more than half a million Humanitarian Daily Rations (HDRs) and military Meals-Ready-to-Eat (MREs), 25,000 hygiene kits, baby food, juice, and powdered milk (Lantz 2008). Most incongruously, US soldiers unloaded supplies of bottled water[59]; municipal water supplies in Georgia had not been affected by the war, and Georgia is regionally famous as a producer of high quality bottled water, which could be bought throughout the country.[60]

While IDPs had no need for military food rations or imported water, they did need bedding. In some emergency shelters, pregnant women had to sleep on concrete floors without even a blanket to lie on.[61] Over 100,000 people had been internally displaced within a week, and the limited domestic stock of mattresses was almost immediately sold out. Georgia's sole domestic manufacturer of mattresses was small and unable to significantly scale up production.[62] Operation Assured Delivery provided 20,000 sleeping bags (Lantz 2008), but this number fell far short of satisfying needs. In March 2009, an IDPs who had been living in temporary collective shelters since August 2008 reported that her sheltyer had still not received any beds.[63]

The expensive American "military-humanitarian operation" thus had limited humanitarian impact. Judged in terms of relief impact achieved per dollar spent, it was a failure. However, it did fully achieve its political objective (see below): on August 15, less than 48 hours after the first American 'humanitarian' flight had landed, the Russian advance halted at the village of Igoeti, a mere 35 kilometres from Tbilisi.

- ***Who were the main aid providers?***

The main aid provider in Operation Assured Delivery was the American government. The operation was led by the Department of Defense, while in-country distribution was coordinated by USAID and implemented by five international NGOs (see below for more details).

- ***Which players had the power to reward or punish these aid providers?***

The Department of Defense is the purview of the Secretary of Defense, who in turn is subordinated to the US president.[64] USAID is nominally independent, but the Department of State exercises

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[58] Visit of author to 'Bazroba' central market in Tbilisi, 21 August 2008. The author has regularly visited this market since 2003.
[59] See U.S. Navy photo by Mass Communication Specialist 3rd Class Eddie Harrison, undated, probably taken in August 2008. Available at:
http://en.wikipedia.org/wiki/File:USS_McFaul_%28DDG_74%29_sailors_unload_humanitarian_supplies.jpg (acc. 22 Jan 2010)
[60] "Russia bans Georgia mineral water", BBC News, 05 May 2006. Available at:
http://news.bbc.co.uk/1/hi/4976304.stm (acc. 09 Sept 2009)
[61] Visit by author to school functioning as temporary IDP centre, Rustavi, 22 August 2008.
[62] Conversation with INGO emergency response team member, Tbilisi, August 2008.
[63] Statement by IDP representative at informational meeting organized by GYLA, Gori, March 2009/
[64] "About the Department of Defense", Department of Defense website, undated. Available at:

considerable control over its operations. According to USAID's website, "USAID is an independent federal government agency that receives overall foreign policy guidance from the Secretary of State."[65] An organizational chart on the Department of State website reveals the department's interpretation of what "guidance" means in practice: it subordinates the USAID Administrator to the Secretary of State, on a par with America's ambassador to the UN.[66] The Secretary of State is subordinated to the president. The President of the United States has the greatest power to reward (through continued employment) or punish (through dismissal) the Secretary of Defense, the Secretary of State, and the USAID Administrator. In the longer term, US Congress also has the power to reward or punish these individuals and their organizations, for example through budget appropriations. On an even longer timescale, US citizens can punish or reward the executive (but only as an aggregated whole, see Zakaria 2003) and individual members of Congress through the ballot box. International NGOs are not subject to the discipline of the ballot box. Only two players have the power to directly reward or punish them through providing or withholding resources: USAID and other institutional donors, and actual or potential private donors in wealthy countries.

Citizens of foreign countries – such as Georgia – have no formal power to reward or punish US policymakers, legislators or administrators for their decisions or actions. Equally, aid recipients have no formal avenues for rewarding or punishing international NGOs. In contrast, the Georgian government in theory has considerable power to punish (though not to reward) US governmental agencies operating on Georgian soil. It could theoretically choose to make life difficult for US federal employees living in Georgia, expel them and their agencies, or even sever diplomatic relations altogether. However, following the war, the Georgian government was "heavily dependent on U.S. support to stay in power"[67], making it imperative to maintain good relations. Equally, while the government could in theory expel international aid and development NGOs from the country, or simply harass them, it was exceedingly unlikely to do so during a major political crisis that fully occupied policy-makers' attention.

- ***What were the interests and expectations of these powerful players?***

As head of the executive, George W. Bush had the greatest power to punish and reward aid providers. Within the executive, the State Department wielded considerable power over USAID, which in turn wielded significant power over NGOs (see Chapter Three). Through its exercise of de jure sovereignty, the Georgian government could theoretically veto the activities of all aid providers inside its country. The following paragraphs discuss the interests and expectations of the US executive and of the Georgian government.

US interests in Georgia are conventionally believed to centre on the oil and gas pipelines transporting Caspian hydrocarbons to Western markets that necessarily pass through Georgian territory (De Waal 2010b, Gahrton 2010, Nichol 2006, MacFarlane 1999). In addition, Georgia was the largest contributor of soldiers to the 'coalition of the willing' in Iraq in per capita terms, and the third largest provider of troops (after the US and the UK) in absolute terms.[68] In future, the small country may also become important as a transit hub for military supplies in Afghanistan (Kuchins and Sanderson 2010:6), or as a location for a Western missile defence base.[69] Such narrow interpretations of US interests through the lens of geopolitics do provide some explanation for the strong American involvement in Georgia dating back to the mid-1990s, but they fail to capture the broader picture.[70] In particular, by treating the US as a rational and unitary state actor, conventional realist perspectives

http://www.defense.gov/about/ (acc. 14 June 2010)

[65] "This Is USAID", USAID website., undated Available at: http://www.usaid.gov/about_usaid/ (acc. 14 June 2010)

[66] "Organizational Chart", Department of State website, undated. Available at: http://www.state.gov/documents/organization/99588.pdf (acc. 14 June 2010)

[67] "Our Man in Tbilisi", The Wall Street Journal, 18 October 2008

[68] "Georgia: Preparing troops for Iraq", International Security Network, 30 May 2007. Available at: http://www.isn.ethz.ch/isn/layout/set/print/layout/set/print/content/view/full/73?id=53338&lng=en&ots591=4888caa0-b3db-1461-98b9-e20e7b9c13d4 (acc. 24 July 2010)

[69] "NATO Missile Defense in Georgia?", Eurasianet, 04 February 2011. Available at: http://www.eurasianet.org/node/62829 (acc. 12 April 2011)

[70] Notably, Russia at no point in August 2008 attempted to stop the flow of oil and gas through the Azerbaijan-Georgia-Turkey pipelines. Arguably, a Russian-engineered regime change in Tbilisi would not necessarily have precluded a great power agreement resulting in continued Caspian energy transit westwards through Georgia.

tend to overlook the huge symbolic and reputational importance that Georgia's post-revolutionary government (rather than the Georgian state) had assumed for the Republican administration (rather than the American state) by August 2008.

Georgia and the US had rapidly established a mutually beneficial patron-client relationship in which the United States provided substantial economic and military assistance, and Georgia played its traditional role of loyal vassal, notably in Iraq. However, the relationship went far deeper on a symbolic level. The 'Rose Revolution' happened just as democracy assistance became a major foreign policy theme in the Republican administration in the US, which quickly embraced the 'Rose Revolution' as a vindication in the neoconservative belief in the universality of human aspirations for freedom and democracy (Boonstra 2010:8, Mitchell 2009:135). When President Saakashvili, widely regarded as the "darling of the West",[71] visited the White House in February 2005, George W. Bush effusively praised Georgia's new ruler:

> "I'm impressed by this leader. I'm impressed by his vision, I'm impressed by his courage. I am heartened by the fact that we have such a strong friend, a friend with whom we share values… I believe in his abilities and I appreciate his vision. And the people of Georgia will be well-served by his leadership."[72]

In addition, Bush explicitly lauded the 'Rose Revolution' as a model and inspiration to aspiring democrats worldwide:

> "The possibility of people taking charge of their own lives and transforming society in a peaceful way is a powerful example to people around the world who long for freedom and long for honest government. And so the Rose Revolution is an inspiring moment of history."[73]

The public alliance between Bush and "wunderkind"[74] Saakashvili served the personal interests of both leaders. Strong and vocal backing from the American president helped Saakashvili to further consolidate power in Tbilisi by giving many Georgians the impression that their new patron's largesse hinged on the person of Saakashvili himself,[75] not least because Georgia's "primary asset" in its relationship with the West "was its image as a rapidly democratizing country and… the prospect of a success story of Western engagement in this region" (Nilsson 2009:100).

President Bush also benefited from the new 'special relationship'. In May 2005, he visited Tbilisi, telling a receptive crowd that:

> "Georgia is today both sovereign and free, and a beacon of liberty for this region and the world… Your courage is inspiring democratic reformers and sending a message that echoes across the world: Freedom will be the future of every nation and every people on earth… As you build freedom in this country, you must know that the seeds of liberty you are planting in Georgian soil are flowering across the globe."[76]

With his foreign policy track record increasingly being questioned at home, the television imagery of tens of thousands of cheering foreign citizens helped Bush to restore some of his credentials as a

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[71] "Hollow Victory", Newsweek, 09 November 2007. In 2004, two US senators had even nominated Saakashvili for the Peace Nobel Prize. See: "U.S. senators nominate Saakashvili, Yushchenko for Nobel prize", Associated Press, 26 January 2005

[72] "President Bush Welcomes Georgian President Saakashvili to White House", White House Press Office, Washington D.C., 25 February 2004. Available at: http://georgewbush-whitehouse.archives.gov/news/releases/2004/02/20040225-1.html (acc. 27 May 2009)

[73] "President Bush Welcomes Georgian President Saakashvili to White House", White House Press Office, Washington D.C., 25 February 2004. Available at: http://georgewbush-whitehouse.archives.gov/news/releases/2004/02/20040225-1.html (acc. 27 May 2009)

[74] "Russia Aside, Georgia's Chief Is Pressed at Home", New York Times, 30 December 2008

[75] Conversation with Georgian businessman, Tbilisi, February 2006. The governing party presented Western recognition and support to its own electorate as a demonstration and validation of the party's success. Conversation with political researcher, Tbilisi, April 2009

[76] "Text: Bush's speech in Georgia", BBC News, 10 May 2005. Available at: http://news.bbc.co.uk/1/hi/world/europe/4534267.stm (acc. 30 July 2010)

successful international statesman as well as lending legitimacy to his administration's overall approach to world affairs.[77] American efforts to bring democracy to Iraq and Afghanistan were widely seen to have failed, and the 'colour revolutions' in Ukraine and Kyrgyzstan were regarded as qualified successes at best (Hale 2006, Nye 2006). In these circumstances, argued a Republican senator, Georgia stood out as a "model of foreign policy success" in overseas democracy promotion (Hagel 2004). The then Chief of Party of the National Democratic Institute in Georgia, an INGO that has close informal links with the US embassy in Tbilisi and policy makers in D.C, commented that "Georgia quickly became the prime example towards which Bush could point to demonstrate the value and impact of democracy assistance" (Mitchell 2009:135). In contrast to their more sceptical European counterparts, senior policy makers in Washington were apparently unaware of – or chose to ignore – the less democratic aspects of the Georgian regime (Areshidze 2007). As the quotes above show, by August 2008, George W. Bush and his administration had invested significant symbolic and reputational capital by praising Georgia's leadership as the embodiment of its own values. In addition, the Republican administration had assumed the mantle of Georgia's patron and protector to an extraordinary degree. Disregarding Russia's protests and the misgivings of some key European allies, Washington had only four months before the war lent its "unequivocal support" to full Georgian NATO membership in the near future, signalling a firm commitment to the country's security.[78]

When Russia went to war with Georgia in August 2008, US decision-makers were convinced that regime change in Tbilisi – rather than just regaining control of South Ossetia – was a Russian war aim; Russian Foreign Minister Sergei Lavrov had explicitly told his US counterpart that Saakashvili "must go".[79] If Russia succeeded, the credibility of the US as an ally and protector would be severely damaged throughout the region.[80] Worse, Russia's invasion was interpreted by some analysts – and many Republican hawks – as a mere opening shot in a broader campaign to aggressively re-establish Moscow's influence throughout the entire post-Soviet sphere, notably in Ukraine, making appeasement an unattractive foreign policy option.[81] In addition, regime change in Tbilisi would discredit the US administration's foreign policy model and irreversibly damage its overseas track record, thus directly threatening the Republicans' prospects of retaining executive power in the forthcoming US presidential elections. In sum, forcible regime change in Georgia in August 2008 would have dealt a severe blow to US national interests, and an even worse blow to the Republican administration's partisan political interests.[82]

On August 13, 2008, the day the first American 'relief' flight landed in Tbilisi, Russian troops were advancing on Tbilisi.[83] The US was not in a position to militarily deter or prevent Russia from taking Tbilisi and overthrowing Saakashvili's regime (Asmus 2010). (The US had organized an emergency airlift that returned the entire Georgian contingent of nearly 2,000 soldiers in Iraq to Tbilisi by August 11th,[84] but these additional troops were unable to turn the tide on the battlefield.) Considering the political context, it appears that meeting humanitarian needs was not the primary aim of Operation Assured Delivery. Rather, the operation's primary aim seems to have been to lay a "humanitarian tripwire" (Hansen 2009) that would deter Russia from entering Tbilisi and some Georgian ports by

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[77] The visit also strengthened Saakashvili domestically. According to Vladimer Papava, a former Minister of Economy and a prominent critic of the Georgian regime, "[a]fter US President George W. Bush visited Georgia in May 2005, the Georgian leadership behaved as if the visit by itself exonerated it for its antidemocratic actions, past and future" (Papava 2008:5).

[78] "Bush Vows Support for Ukraine, Georgia NATO Hopes", Associated Press, 01 April 2008

[79] "U.S. suggests Russia wants 'regime change' in Georgia", Reuters, 10 August 2008; "US, Russian ambassadors spar at UN over Georgia", Associated Press, 10 August 2008; "Bush, Cheney Increasingly Critical of Russia Over Aggression in Georgia", Washington Post, 11 August 2008; "Does Russia aim to oust Saakashvili?", The National, 12 August 2008; "In Rebuff to Russia, IMF Is Set to Lend Georgia $750 Million", Wall Street Journal, 02 September 2008

[80] "How the West Can Stand Up to Russia", Wall Street Journal, 12 August 2008

[81] "Is Ukraine next?", New Statesman, 04 September 2008

[82] The partisan overlay of US policy towards Georgia did not escape Russia's leaders. In late August 2008, Prime Minister Putin accused the United States of having orchestrated the conflict in Georgia to benefit Republican candidate John McCain in the forthcoming presidential election. A US official called the accusation "ludicrous". See: "Putin accuses U.S. of orchestrating Georgian war", CNN, 28 August 2008

[83] "Day-by-day: Georgia-Russia crisis", BBC News, 21 August 2008. Available at: http://news.bbc.co.uk/1/hi/7551576.stm (acc. 22 Nov 2009)

[84] "U.S. Military Airlifts Georgian First Brigade from Iraq", US embassy statement, Tbilisi, 11 August 2008. Available at: http://georgia.usembassy.gov/pr-08112008-troops.html (acc. 08 Nov 2008)

raising the potential costs of such an offensive. If Russia decided to continue its advance, it would risk inadvertently killing US servicemen in uniform and escalating a minor war into an armed confrontation with the world's only remaining superpower. President Bush apparently expected Operation Assured Delivery as a whole to stop the Russian advance, and USAID to cede leadership to the Department of Defense and – however reluctantly – to toe the line of the administration as a whole. USAID in turn expected the international NGOs participating in the operation as USAID subcontractors to quietly distribute the relief goods delivered by the military, including military food rations. On August 15, Moscow halted the advance of its troops, and Operation Assured Delivery had collectively met the expectations of those with the greatest power to punish or reward the individual organizations involved.

On August 13, 2008, with Russian troops advancing on the capital, the government of Georgia faced an immediate threat to its hold on power, a possible threat to the physical survival of its senior leadership, and a potential threat to the continued existence of the Georgian state. Therefore, the Georgian leadership's overriding interest was to ensure its physical and organizational survival as the government of an independent state. While Georgia and the US differed on how Russia's designs for regime change should be foiled – Saakashvili wanted direct US military support, which Bush was unwilling to provide – their interests were aligned to an extraordinary degree.

In order to attract Western support, the official Georgian narrative constructed a dichotomy between a small peaceful democracy in Europe intent on pursuing its own path and rejoining the West, and a dictatorial Russia contemptuous of Western values and international law that had brutally invaded a small neighbour as the opening shot in a larger struggle to re-establish the Soviet empire. President Saakashvili publicly warned of a repeat of the failed attempt to appease Hitler in Munich in 1938,[85] while Georgian officials grossly exaggerated the humanitarian fallout of the war.[86] All this rhetoric from Tbilisi facilitated America's intervention by lending it credibility and legitimacy. By the time Operation Assured Delivery wound down, it had fully met the Georgian government's expectations towards the "military-humanitarian operation" itself: it had enabled it to maintain control of an independent Georgian state.

- ***What information on aid did stakeholders have?***

Access to information is a necessary, though not sufficient, precondition for accountability. Without pertinent information, stakeholders cannot pinpoint responsibility, precisely formulate or effectively communicate their expectations, or verify the extent to which these expectations are being met (see Chapter Two). It was clear to all observers that the main aid provider in Operation Assured Delivery was the American government, but which governmental branch was responsible was hard for outsiders to discern. The embassy in Tbilisi announced that USAID was "coordinating the distribution of the humanitarian assistance",[87] giving the misleading impression that USAID was in charge of the overall relief operation. In reality, the leading role in the humanitarian response had been given to the Department of Defense (see above). Senior US officials denied this fact throughout August, insisting that USAID was leading the response (InterAction 2008); a military official even claimed that "[e]very item delivered was requested by USAID".[88] Due to this muddying of the waters, it was hard for the uninitiated to determine who was in charge and thus bore ultimately responsibility for the relief effort. This directly undermined the accountability of the American operation to those not directly involved in the operation itself: if an external stakeholder cannot discern which organization is responsible in the first place, he is unable to hold the responsible organization to account.

The fact that five international NGOs[89] between them managed the distribution of relief goods to end users further complicated the accountability landscape. Georgian IDPs not unreasonably believed that

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[85] "Saakashvili: Russia Wants to Impose 'Munich-Type of Deal'", Civil Georgia, 15 August 2008

[86] "An Uncertain Death Toll In Georgia-Russia War", Washington Post, 25 August 2008

[87] "Arrival of Humanitarina [sic] Flights to Georgia", US embassy press release, Tbilisi, 13 August 2008. Available at: http://georgia.usembassy.gov/pr08132008-aid.html (acc. 22 Sept 2008)

[88] "U.S. European Command Delivers Aid to Georgia", American Forces Press Service, 28 August 2008

[89] The NGOs involved were International Relief and Development (IRD), the United Methodist Committee on Relief (UMCOR), Hellenicare, ACTS Georgia, and Counterpart International. See: "Arrival of Humanitarina [sic] Flights to Georgia", US embassy press release, Tbilisi, 13 August 2008. Available at: http://georgia.usembassy.gov/pr08132008-aid.html (acc. 22 Sept 2008)

the NGOs handing them parcels were directly responsible for the composition of the aid packages, including the deeply unpopular HDRs and MREs. Such difficulty in pinpointing the responsibility for an aid intervention, especially for individual aid recipients, was to become a recurring phenomenon in aid to Georgia; it is an issue which this thesis will repeatedly flag.

Meanwhile, at least one of these INGOs did not want its private supporters at home to learn about the organization's participation in the distribution of military rations. When the author offered to accompany a food delivery run by this INGO to an IDP shelter and then write a fundraising story based on the visit, he was told that that day's only distribution would involve military rations. "We don't really want you to write about that," explained a staff member.[90] An alternative visit was arranged for the following day to a different shelter where the INGO was distributing only non-military relief items. The resulting story, which was subsequently forwarded to the INGO's headquarters for future publication, was a standard human interest piece devoid of references to the military involvement in the relief effort.

- ***How did formal accountability standards shape actions on the ground?***

Donors' formal accountability standards in humanitarian relief are set out by the 2003 Good Humanitarian Donorship (GHD) initiative, which has been subscribed to by 35 donor countries including the United States (GHD 2003). GHD was explicitly created as a means to improve donor accountability:

> "By defining principles and standards it [GHD] provides both a framework to guide official humanitarian aid and a mechanism for encouraging greater donor accountability."[91]

GHD defines the objectives of humanitarian action as being "to save lives, alleviate suffering and maintain human dignity". Amongst other things, humanitarian action should be guided by "independence, meaning the autonomy of humanitarian objectives from… political, economic, military or other objectives". GHD also stipulates that humanitarian funding should be allocated "in proportion to needs", and explicitly states that in the case of military involvement in relief operations, humanitarian organizations should play "the leading role" (GHD 2003; see also Graves and Wheeler 2006).

Operation Assured Delivery clearly violated GHD standards and principles. Humanitarian objectives were superseded by political and military objectives. USAID, the agency normally responsible for managing emergency relief abroad, had a sizeable and long-standing presence on the ground in Tbilisi, but was nevertheless subordinated to the military by executive order. In addition, considering limited aid budgets and the much greater need for relief resources elsewhere in the world, the US did not allocate funding "in proportion to needs".

By becoming a GHD signatory, the United States had legitimized the expectations set out in the "Principles and Good Practice of Humanitarian Donorship" (GHD 2003), implicitly agreeing to be held accountable for compliance with them. However, no complaints procedure was put into place. Also, crucially, GHD does not clarify *who* may hold the US or other donor states accountable for acting in line with these principles and good practices. This lack of reference to other stakeholders suggests that the signatory donors may have considered themselves accountable to each other for adherence to the principles. (An alternative, more cynical interpretation would be that donors only signed up to the GHD principles because it made them *look* more accountable without entailing the risk of ever being held accountable in practice.) In any case, peer accountability between donors failed. Despite the fragrant violations of the letter and spirit of GHD, other donors chose to remain silent, maybe because they themselves also had a mixed GHD compliance record. Hansen (2009:7) reports that several donors later privately conceded that their own (smaller) relief responses had also been generally inconsistent with GHD principles.

Host governments are not mentioned as legitimate stakeholders in the GHD principles. Donor accountability to host governments plays a pivotal role in the Paris Declaration on Aid Effectiveness

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[90] Conversation with INGO staff member involved in emergency relief operations, Tbilisi, August 2008.
[91] "About GHD", Good Humanitarian Donorship website, undated. Available at:
http://www.goodhumanitariandonorship.org/ (acc. 24 May 2010)

(HLF 2005, see discussion below), but the concept is largely confined to longer-term development efforts and has not fully migrated into emergency relief. As Harmer and Ray (2009:10) point out, accountability in the humanitarian field is commonly discussed in terms of accountability to individual aid recipients, and not in terms of accountability to the host country authorities (see also Sphere Project 2004:19). In any case, Operation Assured Delivery's extent of accountability to the host government was irrelevant in practice as donor and host expectations of the operation were fully aligned.

Since 1994, over a hundred NGOs have signed up to the ten-point NGO Code of Conduct,[92] which aims to "maintain… high standards of independence, effectiveness and impact" in relief work (SCHR 1992; see also Hilhorst 2005, Walker 2005a). In Point 4 of the Code, signatory NGOs affirm that "[w]e shall endeavour not to act as instruments of government foreign policy". The participation of the five INGOs in Operation Assured Delivery arguably constituted a violation of this pledge. As the Code "is a voluntary code, enforced by the will of the organisation accepting it to maintain the standards laid down in the Code" (SCHR 1992), no outside stakeholders are identified, and there is no complaints procedure. (Additional accountability standards for NGOs working in emergency relief are set out by the SPHERE project and HAP; these will be discussed in Chapter Six.)

- ***Which stakeholders were unable to hold aid providers accountable?***

Fellow donors and the Georgian government might have tried to hold the US government accountable for its conduct during Operation Assured Delivery, but for different reasons chose not to do so. In contrast, on September 3, 2008, InterAction, a membership association of over 190 American NGOs involved in aid and relief work, did call the American government to account over its response in a press release:

> "InterAction believes that it was wrong to put the U.S. military in charge of the American government's humanitarian response in Georgia. Despite the insistence of senior U.S. officials that the U.S. Agency for International Development (USAID) is leading the humanitarian response, the reality on the ground continues to be influenced by President Bush's statement that it is a U.S. military-led humanitarian operation… [the U.S. military] is providing assistance that is not appropriate to the situation." (InterAction 2008)

InterAction's statement did not result in any noticeable changes in relief operations in Georgia, indicating that the umbrella group was unsuccessful in its attempt to *oblige* the US government to manage its expectations. This was due to an imbalance in power: while InterAction had little power to punish or reward the US executive, many of its members were highly dependent on financial support by the US government. Somewhat unsurprisingly, InterAction – which is essentially "a lobbying organization for large NGOs"[93] – did not publicly chastise those of its (fee-paying) members who were voluntarily distributing the inappropriate assistance as part of the military-led operation.

Displaced Georgians' expectations of palatable food and bedding were not being fully met by the relief effort, but they were powerless to hold aid providers accountable for four reasons. First, they were unable to identify who was responsible for the military rations and the shortage of bedding. Second, even if they had been able to pinpoint responsibility, IDPs lacked the ability to aggregate, formulate and communicate their expectations as they were dispersed across hundreds of locations in the country. Third, even if they had somehow managed to overcome this barrier, they would have lacked the *power to oblige* the US military and its INGO partners to manage their expectations. For example, some IDPs in August 2008 reportedly cut open military food rations and threw away all their contents except for the coffee[94], and in at least one case, angry IDPs pelted INGO workers with MREs thrown out of the upper-story windows of a temporary shelter.[95] While IDPs thus forcefully communicated to aid providers' frontline staff that their expectations for palatable food had not been met, they lacked the power to reward or punish those responsible, and thus failed to hold them to

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[92] The full name of the code is "Code of Conduct for the International Red Cross and Red Crescent Movement and Non-Governmental Organisations (NGOs) in Disaster Relief" (see SCHR 1992).
[93] Private email from former Chief of Party of INGO in Georgia to the author, 30 September 2010.
[94] Presentation on emergency relief to Georgia by Andreij Zwitter, Groningen University, Tbilisi, May 2009.
[95] Conversation with INGO staff member who had witnessed the incident, Tbilisi, August 2008.

account. Finally, the only party legitimately able to speak for all IDPs, the Georgian government, seemed uninterested in advocating on their behalf. In fact, the government reportedly threatened IDPs, telling them that they would get no additional food until all the MREs and high protein biscuits had been eaten up.[96] Operation Assured Delivery had ostensibly been created for displaced Georgians in need of humanitarian relief, thereby making them the pivotal stakeholder group *par excellence*, but paradoxically it was this stakeholder group that the "military-humanitarian operation" was least accountable to.

The first case study in this chapter dealt with emergency aid to Georgia in the immediate aftermath of the August 2008 war. As the situation on the ground stabilized, donor and UN officials in Tbilisi began to think about how to tackle the political, socio-economic and humanitarian fallout of the conflict in the longer run. The resulting needs assessment and multi-donor aid package are the subject of the second case study discussed in this chapter.

The Joint Needs Assessment and Brussels Donor Conference

- *What happened?*

In September 2008, a World Bank-coordinated team of donor experts[97] spent three weeks in Georgia assessing humanitarian and post-war recovery needs and gauging the country's longer-term requirements for international aid. The resulting document, the Georgia Joint Needs Assessment (JNA), identified a need for USD 3.26 billion in donor support over three years (UN/WB 2008a). Within the government, Prime Minister Vladimer 'Lado' Gurgenidze acted as the donor team's main counterpart. Gurgenidze, a technocrat and former banker whose premiership had focused on creating a stable macroeconomic environment and attracting foreign investors, was deeply involved in the process of developing the JNA.[98] In contrast, Georgian stakeholders outside the executive branch of government did not participate in the development of the JNA (TIG 2008c).

The JNA's recovery program (UN/WB 2008a, UN/WB 2008b) represented a radical change in policy for Georgia. Previously, the country had followed a libertarian economic policy of private sector driven growth with a very limited state role in the economy (ESI 2010). Predicting a multi-year recession marked by a precipitous decline in private sector investment and bank lending, the JNA now proposed a counter-cyclical economic policy in which the state, supported by international donors, was to take over as the main engine of growth (TIG 2008d:2). The JNA also contained radical changes in IDP housing policy; these will be discussed in greater depth in Chapter Five.

According to the JNA, Georgian needs for donor assistance over the coming three years amounted to USD 3.26 billion.[99] It grouped needs into four broad categories: infrastructure and municipal services (USD 1.2 billion), social sector support (USD 996 million), budget support (USD 930 million), and humanitarian aid delivered through the UN and NGOs (USD 109 million up to late March 2009). Across these categories, the largest single items tagged by the assessment were durable housing for all IDPs (USD 796 million), road construction and rehabilitation (USD 685 million, in addition to already committed funds), the improvement of municipal services (USD 257 million), natural gas storage (USD 177 million), and expanded health insurance (USD 168 million). The plan presented by the JNA explicitly took into account the government's finances and budgeting. Discussing the fiscal outlook, it predicted that tax revenues would fall over a billion dollars short of predictions during 2008 and 2009, and called for this gap to be plugged with USD 930 million in donor support to the central government budget (UN/WB 2008a). Its fiscal projections assumed that the government would cut defence-related expenditure by around half a billion dollars in 2009, thereby freeing up funds for

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[96] Conversation with INGO staff member involved in emergency food deliveries, Tbilisi, August 2008. The author regards this claim as plausible, but was unable to independently verify it.

[97] The European Commission, UN, ADB, IFC, EIB and EBRD also participated in the assessment (EC/WB 2008).

[98] Statement by senior donor official at donor meeting, Tbilisi, October 2008. According to this official, several line ministers also commented on the draft. This information was confirmed by a different donor official during a second donor meeting also conducted in Tbilisi that month; he cited a recent video conference between the Prime Minister and decision-makers in Washington, D.C.

[99] This figure did not include USD 700 million in financial sector support, or an IMF standby loan of 750 million (TIG 2008d:3).

employment creation in other sectors, additional social expenditures, and other purposes (TIG 2008d:7).

The JNA's recovery plan thus went far beyond rehabilitating the (very minor) infrastructural damage caused by the war and meeting Georgia's (also limited) humanitarian needs. Of the USD 3.26 billion total proposed package, the JNA allocated just USD 412 million[100] specifically to people directly affected by the August 2008 fighting.[101] Instead, the donors' assessment presented the outline of a comprehensive three year plan to resuscitate the Georgian economy and lay the foundations for future growth while maintaining – and in some cases expanding – state social services for the poor. Following the plan would entail sometimes radical changes in the government's fiscal, economic, defence, transport, health, social and IDP policies, with lasting consequences for the state and its citizens (TIG 2008d).

On October 22, 2008, representatives of 38 countries and 15 international organizations met in Brussels for a one-day donor conference at which they pledged to provide Georgia with USD 4.5 billion in international aid over a period of three years (ICG 2010:1). In total, not counting funds targeted at the Georgian financial sector, donors pledged USD 3.7 billion in aid to Georgia, over half of it in the form of grants (TIG 2008e:3). Donors thus pledged nearly half a billion dollars *more* than Georgia actually needed according to their own estimates, a highly unusual move. Donors routinely fall short of the global target of providing 0.7% of their GNI as aid (Bolton 2007) – the United States spends only 0.2% of its GNI on aid (Shah 2010) – making global aid a very scarce resource, with demand exceeding supply; every allocation entails opportunity costs elsewhere in the world. Not unsurprisingly, therefore, donor pledges for any given country or emergency also routinely fall significantly short of identified needs, and donors regularly fail to deliver on even these limited promises.[102] In Georgia, needs were first "oversubscribed" (Hansen 2009) through generous pledges, and then – equally unusually – donors followed up on their pledges with actual disbursals of funds.[103]

Following the conference, the European Commission and World Bank – which had jointly hosted the event – issued a press release (EC/WB 2008) that linked to a breakdown of the pledges by donor (see further below) and by sector. The one-page sectoral breakdown[104] showed that donors had pledged USD 2.65 billion for the "Core Recovery of the Georgian Economy", USD 586 million for budget support, USD 350 million for IDPs, and USD 100 million for immediate needs. The largest budget lines in the "Core Recovery" category were transport (USD 682 million) and energy (USD 381 million). An additional USD 766 million in "Core Recovery" funds had been pledged but remained to be allocated. On top of the USD 4.5 billion package, donors had also promised to provide USD 853 million to Georgian banks.

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[100] Based on the author's own calculations, using the figures provided in the JNA (UN/WB 2008a) and TI Georgia's analysis (TIG 2008d). As sectoral breakdowns may be imprecise, the author's calculations are approximate and only aim to give an impressionistic picture of the proposed aid package.

[101] Calculated as the cost of resettling recent IDPs (USD 303 million) plus humanitarian aid (USD 109 million). Of course, IDPs and Buffer Zone residents also stood to indirectly benefit from other JNA items, such as health insurance, but these were not directly and explicitly targeted at them.

[102] For example, at a humanitarian coordination meeting, one speaker pointed out that the Georgia Flash Appeal had already been 44% funded by October 2, 2008, while a similar Flash Appeal for Haiti had only been 4% funded. (Humanitarian coordination meeting, Tbilisi, October 2008.) Waldman (2008) observes similar underfunding in Afghanistan.

[103] Personal email communication with Caitlin Ryan, IDP Shelter Expert, Transparency International Georgia, January 2010. (See also TIG 2008c:4.) Due to the involvement of dozens of donors and insufficient information in the public realm, comprehensive tracking of all pledges and disbursals is impossible in practice (see Bruckner 2010d). The United States in February 2010 announced that it had fully met its pledge. See: "Completion of the $1 billion pledge", USAID Georgia press release, 05 February 2010 http://georgia.usaid.gov/node/52 (acc. 23 March 2011)

[104] European Commission/World Bank. 2008. Untitled document. Available at: http://siteresources.worldbank.org/INTGEORGIA/Resources/DonorsPledgesBySectorsInUSD.pdf (acc. 28 Oct 2009)

- ***Who were the main aid providers?***

Around 95% of total pledges were made by just eight of the 53 donors (EC/WB 2008) who participated in the Brussels conference. In descending order, the largest donors were the US, EBRD, the European Commission, the World Bank, IFC, EIB, ADB, and Japan.[105]

- ***Which players had the power to reward or punish these aid providers?***

The largest governmental donors to Georgia were the United States (one billion dollars), the European Commission (USD 637 million), and Japan (USD 200 million). The other five major contributors are controlled by this group of state actors. The shares of the overall second-biggest donor to Georgia, EBRD (pledge: USD 927 million), are overwhelmingly held or controlled by EU member states; EBRD's largest single shareholder is the United States. The World Bank and its private sector arm, the IFC, are effectively controlled by the US; a former vice president of the Bank openly speaks of America's "dominant or even domineering role" within the organization (Ritzen 2005:99). The European Investment Bank is the European Union's financing institution, and Asian Development Bank's largest shareholders are the US and Japan. If the focus is further narrowed down to the six largest donors, Japan disappears from the equation, leaving the United States and EU member states in direct or indirect control of nearly USD 3.8 billion – around 85% – of the total international aid pledged at the Brussels donor conference, as the chart below shows.

Brussels Donor Conference pledges to Georgia *(in USD)*
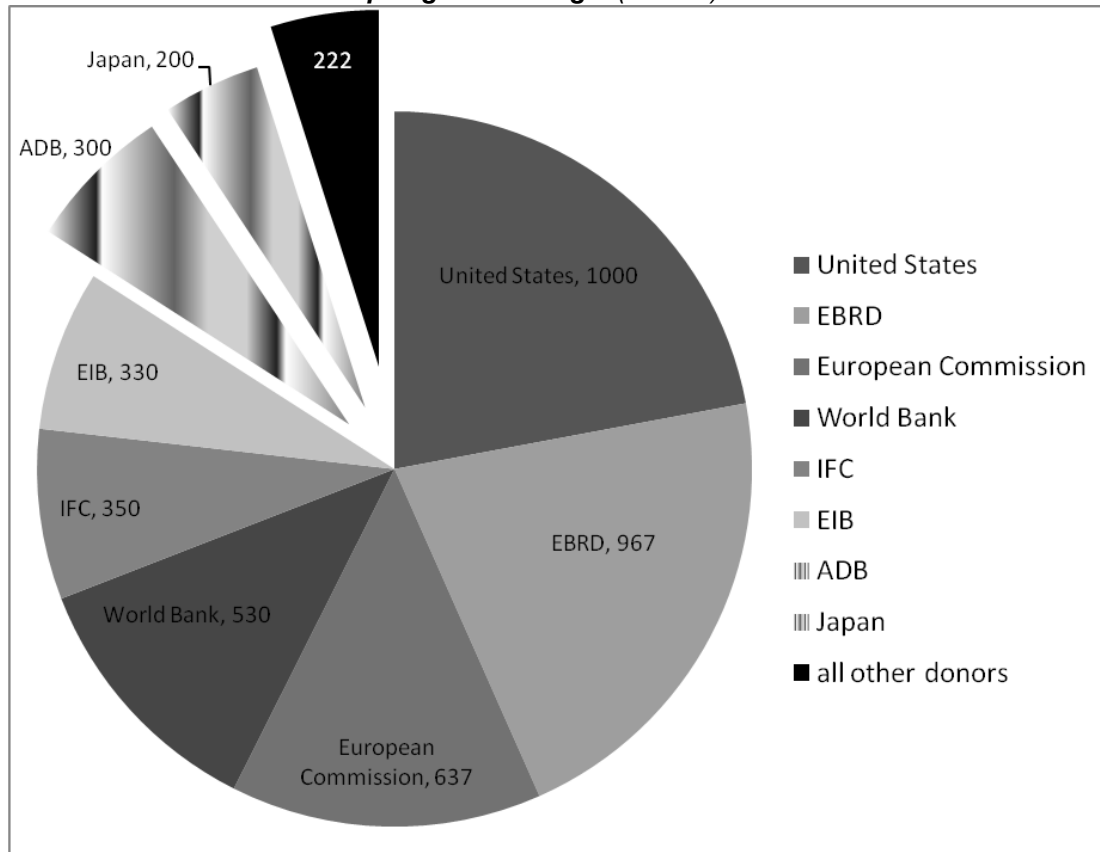
Source: European Commission and World Bank

[105] European Commission/World Bank. 2008. Untitled document. Available at: http://siteresources.worldbank.org/INTGEORGIA/Resources/DonorsPledgesByCountriesInUSD.pdf (acc. 28 Oct 2009)

- ***What were the interests and expectations of these powerful players?***

This chapter has argued that the United States government had two kinds of interests in Georgia: geopolitical interests related to hydrocarbons and military logistics, and symbolic and reputational interests resulting from the Republican administration's close association with Georgia's ruling group. All of these interests hinged not only on Georgia's continued independent statehood, but also on who held power in Tbilisi. America's chief concern in August 2008 was the possible violent overthrow of Georgia's government by Russian troops. By the end of the month, this immediate external threat had passed. Instead, a new internal threat loomed on the horizon: the United National Movement's possible removal from power by the domestic opposition.

After the political, military and economic fiasco of the war, it was only a matter of time until Georgia's domestic opposition would resume its long-standing attempts to topple the government, either electorally or – more probably[106] – through the same kind of mass street action that had originally brought the United National Movement to power in 2003, and that the opposition had already unsuccessfully tried to emulate once before, in November 2007 (see Chapter One).[107] The fall of Saakashvili's administration would be interpreted regionally as a victory for Russia, and as a setback for the West in general. Inside the US, it would constitute a disaster for the Republican foreign policy track record just weeks ahead of the November 4, 2008, US presidential election. Furthermore, any successor government in Tbilisi would almost certainly be less staunchly pro-American in orientation, especially as some of Georgia's opposition parties were widely believed to receive clandestine funding from Russia.[108] Maintaining Tbilisi's ruling elite in power was therefore in the national interest of the United States, and – to an even greater degree – in the partisan interests of the Republican administration.

America's aid was primarily geared towards achieving political goals rather than towards meeting humanitarian and developmental needs. When President Bush personally announced that the United States would provide one billion dollars in aid to Georgia on September 3, 2008, Georgia's needs were still unassessed and therefore unknown. Public statements made by senior officials at the time show that the US administration itself was unsure about how and for what purposes this sum would be spent. Bush' statement vaguely mentioned "additional economic assistance to meet Georgia's humanitarian needs and support its economic recovery", while Secretary of State Condoleeza Rice on the same day spoke of "providing budget support quickly" (TIG 2008g). At the time, the administration did not even know where the promised billion would come from. Deputy Director of Foreign Assistance Richard Green explained at a press conference that only 570 million dollars would be made available under the outgoing administration, and that the release of 200 million of these dollars was contingent on Congressional approval. (According to a donor official familiar with internal US deliberations on aid to Georgia, the availability of rapidly accessible unallocated funds within the multitude of American agencies involved in aid later became a key determinant of the final composition of the aid package.[109]) Regarding the remaining USD 430 million, Green expressed "our hope and expectation that the next Congress and the next administration will provide that funding" (TIG 2008g).

The considerable fanfare with which the US announced its headline-grabbing billion dollar pledge without having first assessed Georgian needs, coupled with policy-makers' considerable uncertainty at the time about the availability of funds at home and their ultimate use abroad, shows that the US pledge was not primarily driven by Georgian humanitarian and recovery needs. When the US aid

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[106] Since independence, no ruling party in Georgia has ever lost power through the ballot box, a fact of which the Georgian opposition is acutely aware. Official election results have always been favourable to the ruling party. (Conversation with U.S. political consultant working with Georgian political parties, Tbilisi, March 2009.)
[107] Two days before the Brussels donor conference, Georgian opposition figures announced their intention to hold a rally outside parliament to demand Saakashvili's resignation on November 7, 2008. This announcement marked the end of the post-war domestic truce, and the beginning of the 2008-2009 domestic political crisis. See: "Controversy ahead of Georgia donors' conference", The Echo, Sofia, 21 October 2008. Available at: http://sofiaecho.com/2008/10/21/664149_controversy-ahead-of-georgia-donors-conference (acc. 09 Nov 2008)
[108] Numerous conversations with Georgian and expatriate political analysts, Georgia, 2002-2009.
[109] Conversation with senior World Bank official, Tbilisi, October 2008

package was finally delivered, it included allocations not only for state salaries and pensions,[110] but also for "energy security" and the police, coast guard and border guards.[111] The early American pledge and the subsequent international aid package sent a clear signal to Georgian voters, the Georgian opposition and international policy-makers and investors that Saakashvili's government still enjoyed significant Western patronage and support.[112] In the words of USAID administrator Henrietta Fore, speaking immediately after the Brussels conference:

> "The message economically and politically is very strong for Georgia. At a time of financial turmoil, this is extraordinarily strong."[113]

The United States expected international aid to both strengthen the Georgian state and to boost regime stability. The two expectations were linked: by cushioning the social and economic fallout of the war and enabling the state to continue policing its citizens, making investments and paying salaries, aid would both strengthen the state and stabilize its government.

European diplomats and policy-makers generally viewed Georgia's elite with far more scepticism than their American counterparts did, especially after the November 2007 violent crackdown on protesters in Tbilisi.[114] European governments were also unable to agree on a common policy towards Russia; in August 2008, internal divisions within the European Union had precluded Brussels from articulating a strong unified position vis-à-vis Moscow. Nevertheless, most European states shared the United States' geopolitical interest in a stable Georgian government willing and able to guarantee continued Western access to Caspian energy and transport corridors, and the related determination not to let Russia have its way in Tbilisi.[115] Senior European officials used the donor conference to publicly signal their continued support for Georgia. Opening the conference, European Commission President Jose Mario Barroso declared that "we are here today to show solidarity with the people of Georgia". French foreign minister Bernard Kouchner told delegates that:

> "What is at stake is to show by the generosity of our contributions that we do not forget and that we want a political solution to the crisis."[116]

The European aid package included EUR 31 million for the establishment of a long-term 'EU Monitoring Mission' putting 200 unarmed observers on the ground in Georgia. The mission's tasks included the monitoring of troop movements and the "security of transport links [and] energy infrastructure".[117]

Since the revolution, the Georgian government's domestic legitimacy and stability had been closely linked to its success in building a strong state (di Puppo 2008). Now, the government had lost a war, its army and long-term control of four more districts of its nominal territory. After several years of stellar economic growth rates and rising tax returns (UN/WB 2008a), it faced a severe recession coupled with an even worse budgetary crisis. In this situation, Georgia's rulers had several core

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[110] "Sectors", USAID Georgia website, undated. Available at: http://georgia.usaid.gov/index.php?m=57 (acc. 03 Jan 2010)

[111] "U.S. Assistance to the People of Georgia Fulfilling the $1 Billion Pledge", US embassy website, Tbilisi, undated. Available at: http://georgia.usembassy.gov/us_assist_1bio_pledge.html (acc. 17 April 2011)

[112] A senior official with a multilateral donor agency who had participated in the conference pointed out that each participant had known exactly what his or her organization would pledge before the conference began. He therefore regarded the conference as partly "symbolic", describing it as a "show of support for the country and the government (conversation in Tbilisi, February 2009). Participants in the donor conference had been asked to finalize their pledges by October 17, 2008, five days before the conference was to take place (statement by donor official at donor meeting, Tbilisi, October 2008).

[113] "Donors Pledge USD 4.55 bln", Civil Georgia, 22 September 2008

[114] Phone conversation with European journalist specializing in the region, Bristol, December 2010.

[115] Conversation with diplomat working for EU member state, Tbilisi, November 2008.

[116] "International Donors Pledge - US$4.5 billion (€3.4 billion) in Post-Conflict Support to Georgia", joint World Bank – European Commission press release, Brussels, 22 Oct 2008. Available at: http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:21949175~pagePK:34370~piPK:34424~theSitePK:4607,00.html (acc. 23 Oct 2008)

[117] "Most EU Monitors Expected This Week", Civil Georgia, 22 September 2008

expectations of the aid package: a strong public signal of Western support for the country and its rulers, significant budget support[118], and a stimulus package for the economy.

To sum up, the governments of the US, Europe and Georgia all had similar expectations towards the aid package; these expectations were largely met in autumn 2008 (ICG 2010:1).

- ***What information on aid did stakeholders have?***

Access to salient information is a necessary though not sufficient precondition for accountability. By withholding information, donors such as USAID and DfID can – and often do – insulate themselves against the scrutiny, criticisms and unwelcome accountability demands of stakeholders both at home and abroad (Bruckner 2010e). This was certainly the case in Georgia during 2008-2009, as the remainder of this chapter will show.

The JNA was jointly developed by donors and elements of the Georgian executive behind closed doors. Other Georgian stakeholders such as parliament, political parties, think-tanks, NGOs and war-affected populations were not consulted (TIG 2008c, TIG 2008d). The World Bank initially refused to release the assessment, stating that the Georgian government had asked it to keep the JNA confidential due to the precarious state of Georgian banks.[119] Following sustained behind-the-scenes lobbying, the World Bank convinced the government to release a heavily edited 'summary' (UN/WB 2008b) that omitted some key data, including the projection that 100,000 jobs would be lost in Georgia (TIG 2008d). As this document was released only after the finalization of the JNA, and less than 24 hours before the conference began, stakeholders excluded from the process of developing the JNA – i.e., everyone apart from a small circle of donor and Georgian government representatives – were prevented from formulating and communicating their expectations before the pledges were made.

Access to the Brussels donor conference of October 22, 2008, was also restricted. Repeated TI Georgia requests for observer status were rejected by the European Commission, journalists were asked to leave after the opening ceremony, and apart from the official government delegation, no Georgians were able to witness conference proceedings (TIG 2008c). After the conference, the European Commission and World Bank published two information sheets on the pledges made. The first listed the pledges made by individual donors[120]; subsequent enquiries by the author revealed that the names of an unknown number of Middle Eastern donors had been omitted from the list at their explicit request (Bruckner 2010d). The second sheet provided a breakdown of the aid package into just 13 sectoral budget lines[121]; differences in segmentation between the JNA and the information sheet made it impossible to discern which interventions proposed by the JNA had received donor funding, and which had not. USD 776 million in donor pledges had not yet been allocated for specific purposes (TIG 2008c:4).[122]

After the World Bank refused to disclose which donor had pledged aid for what purpose, TI Georgia tried to gather data on the largest twelve donors' pledges through donor websites and phone calls to donor offices in Tbilisi in order to create a comprehensive map of aid to Georgia that would enable civic monitoring of aid funds, especially those designated to IDP resettlement (Bruckner 2010d). In many cases, donor information was missing, outdated, or did not match information provided by the Georgian Ministry of Finance (TIG 2009a:3). When contacted by telephone or email, many donor

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[118] Budget support was the Georgian government's top aid priority (reported by Western diplomat at donor meeting, Tbilisi, October 2008).
[119] Statement by donor official at donor meeting, Tbilisi, October 2008.
[120] European Commission/World Bank. 2008. Untitled document. Available at: http://siteresources.worldbank.org/INTGEORGIA/Resources/DonorsPledgesByCountriesInUSD.pdf (acc. 28 Oct 2009)
[121] European Commission/World Bank. 2008. Untitled document. Available at: http://siteresources.worldbank.org/INTGEORGIA/Resources/DonorsPledgesBySectorsInUSD.pdf (acc. 28 Oct 2009)
[122] Months after the conference, on February 27, 2009, donors and UN officials met in Tbilisi to discuss how best to spend around one billion aid dollars that had been pledged but not yet earmarked. The UN Office for the Coordination of Humanitarian Affairs (OCHA) ignored a call to grant access to independent observers, and the meeting was held behind closed doors (TIG 2009b).

officials seemed unsure about their organization's disclosure policies and were reluctant to provide information (Bruckner 2010d). In the end, TI Georgia failed to produce the intended who-funds-what map of the twelve major donors' activities in the country:

> "Coupled with the lack of a publicly accessible central source of information on aid to Georgia, the limited public outreach performance of donors makes it virtually impossible for Georgian stakeholders to gain an overview of who funds what, when, where and how. TI Georgia itself, after two months of full-time research by a dedicated staff member, still has only an incomplete picture of donor activities." (TIG 2008e)

- ***How did formal accountability standards shape actions on the ground?***

Donors' secrecy and closed-door consultations in Georgia contradicted the provisions of the 2005 Paris Declaration on Aid Effectiveness (HLF 2005) and the 2008 Accra Agenda on Action (HLF 2008). The Paris Declaration, which has been endorsed by all major donors and several aid recipient countries, and the follow-up Accra Agenda both emphasize the importance of making aid more transparent and accountable:

> "Transparency and accountability are essential elements for development results. They lie at the heart of the Paris Declaration, in which we agreed that countries and donors would become more accountable to each other and to their citizens. (HLF 2008: Article 24)

Both documents focus mainly on the relationships between donors and host governments. However, they also contain wider-ranging provisions regarding three issues of particular interest here: consultation, transparency, and accountability.

The Paris Declaration and the Accra Agenda both posit a connection between broad-based consultation within recipient countries and local ownership of aid. Such domestic consultation is the task of host governments rather than of donors:

> "We will engage in open and inclusive dialogue on development policies. We acknowledge the critical role and responsibility of parliaments in ensuring country ownership of development processes. To further this objective… developing country governments will work more closely with parliaments and local authorities in preparing, implementing and monitoring national development policies and plans. They will also engage with civil society organisations." (HLF 2008: Article 13, see also HLF 2005: Article 48)

In Accra, donors also promised to "make aid more transparent… Donors will publicly disclose regular, detailed and timely information on volume, allocation and, when available, results of development expenditure to enable more accurate budget, accounting and audit by developing countries" (HLF 2008: Article 24), albeit without specifying to whom this information should be disclosed. In contrast, the subsequent point in the Accra Agenda for Action explicitly calls for disclosure to the general public: "Beginning now, donors and developing countries will regularly make public all conditions linked to disbursements" (HLF 2008: Article 25).

Having described accountability as an "essential element" for aid effectiveness (HLF 2008: Article 24), both documents map out accountability relationships between donor organizations, aid recipient governments, parliaments and citizens. Donors and recipients pledge to "enhance [their] mutual accountability and transparency in the use of development resources" (HLF 2005: Article 3), and also undertake to enhance their "respective accountability to their citizens and parliaments for their development policies, strategies and performance" (HLF 2005: Article 3). Both the Paris Declaration and Accra Agenda assume that there is no contradiction between enhancing accountability in two directions at once, thereby failing to recognize the possibility of rival expectations as well as broader questions about the links between accountability and power (see Chapter Three). Regarding their own accountability for upholding their aid effectiveness commitments, the signatories pledge to "hold each other accountable for mutually agreed results" on a country level (HLF 2005: Article 24) "in a spirit of mutual accountability" (HLF 2005: Article 8).

The formal accountability standards set out in Paris and Accra had little influence on aid processes in Georgia in 2008-2009. While JNA itself cited the Paris Declaration's call for aid that was "predictable, harmonized, aligned with national priorities and use the country's own institutions and systems," it signally failed to mention the Declaration's provisions regarding consultation, transparency, and accountability (UN/WB 2008a, see also TIG 2008d:10) – all areas in which aid to Georgia was to fall short of formal commitments (see also Chapter Five). Regarding consultation, "the JNA was drawn up and revised in a manner that completely excluded Georgian parliament, political parties, think tanks, advocacy groups and the media from the formulation of development strategies for Georgia" (TIG 2008d). In terms of transparency, the World Banks' refusal to release the JNA, the names of all donors, and a donor-by-sector breakdown of the Brussels conference pledges and individual donors' frequent failure to release aid information online or in response to enquiries (TIG 2009a) also indicate non-compliance with commitments. Donors' track record on consultation was mixed. While donors widely consulted with senior Georgian government figures, the JNA was never submitted to parliament for debate or approval (TIG 2008d:10); non-governmental stakeholders were never consulted, and in some cases were actively prevented from developing and voicing their expectations.

On the ground in Georgia, there were no indications that donors were trying to hold each other accountable for their noncompliance with these provisions: the hypothetical "mutual accountability" between donors envisaged in Paris and Accra failed to translate into concrete action. Donors' "mutual accountability" with the Georgian government also failed to translate into more consultation, transparency, and accountability towards parliament and citizens. The government had little interest in bringing potentially dissenting voices to the table, and in at least one case – the non-publication of the JNA – successfully lobbied to keep aid information hidden from external stakeholders. Meanwhile, donors' own track record of withholding aid data and conducting closed-door meetings suggests that they too preferred to keep aid allocation processes out of the public realm. The accountability relationships outlined in the JNA itself focused almost exclusively on donor-government interactions; the JNA made no reference to a possible parliamentary role, broad-based consultation, or public access to information on aid (TIG 2008d:10-11).

- ***Which stakeholders were unable to hold aid providers accountable?***

The sheer size of the aid package meant that international aid would have long-lasting effects on the state and its citizens (TIG 2008c). The JNA's recovery plan represents an attempt to harness these resources towards goals broadly shared by the Georgian government and international donors. The JNA's plan bore significant consequences for the government's fiscal, economic, defence, transport, health, social and IDP policies for years to come, including deep and far-reaching reforms in health care and social assistance. For example, the JNA stated that "Georgia will have to identify expenditure cuts… amounting to GEL 630 million [USD 446 million[123]] in 2008 and GEL 1.3 billion [USD 920 million] in 2009" (UN/WB 2008a:55).

The Georgian executive and international donors both participated in discussing and mapping out these policy changes,[124] but parliament, the political opposition, local NGOs, and the Georgian citizenry as a whole were neither informed nor invited to the table. In some cases, this prevented them from formulating and communicating their expectations; in all cases, it meant that they were subsequently unable to oblige aid decision-makers to manage these expectations. In effect, international aid was placed outside the realm of domestic democratic politics.

The failure of parliament to discuss and shape the aid package is particularly remarkable for two reasons. First, both the Paris Declaration and the Accra Agenda repeatedly affirm the importance of involving legislatures in aid processes (HLF 2005, HLF 2008). The Georgian parliament was thus explicitly recognized as a legitimate stakeholder by aid providers (as well as by the national constitutional framework). Second, many major donors had a long-standing policy, at least on paper,

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[123] Converted at the October 9, 2008, exchange rate of 1:1.41 (the rate on the day the JNA was published), using the Oanda online currency converter. Available at: http://www.oanda.com/currency/converter/ (acc. 27 Jan 2011)
[124] Some libertarians within the executive (see ESI 2010 for more background on this) reportedly later pushed the government to abandon the JNA, which they saw as "Marxist bullshit" due to its strong social spending components. (Conversation with senior UN official, Tbilisi, February 2009) Such intra-governmental splits could not be independently verified by the author.

of using aid-funded interventions to strengthen parliament's role in Georgia.[125] Ironically, after ignoring parliament during discussions on the aid package and thereby undermining the power and relevance of the legislative branch (TIG 2008d), donors later – in the framework of the very same aid package – announced that they would again try to strengthen Georgia's legislature through aid, for example by "addressing governance by working with parliament on its oversight role, capacity, responsiveness and accountability".[126] Georgian parliament in 2008-2009 completely failed to formulate or voice any expectations regarding international aid (see also below).

In contrast to parliament, parts of the political opposition did try to hold international aid providers accountable for their actions. In an open letter released on the day of the Brussels conference, six prominent opposition politicians declared that they were "not represented by the official delegation" to the conference, and asserted that

> "[we] also wish to be heard and have our voices taken into consideration at the time when Georgia's prospects and the support that is being given to our people is being discussed and decided upon".[127]

Arguing that Georgia's lack of democracy caused the war in the first place, the letter clearly spells out opposition expectations:

> "We expect that in having put so much effort into ending this tragic war, the international community will help us… to establish effective mechanism which will ensure that similar tragedy is not repeated in the future... We urge the international community to ensure that the funds allocated for Georgia be used in priority for the specific purpose of establishing appropriate living conditions for the IDPs and recovering the socio-economic damage rather than for regime strengthening. Financial support should… avoid unconditional funding." [128]

Stating that "strict conditionality is indispensable," the letter calls on donors to press for judicial, electoral and media reforms. The opposition's attempt to *oblige* donors to manage these expectations completely failed, as donor funds were subsequently used to strengthen the regime. The European Commission was the only donor[129] to subsequently impose political conditionalities, and even these conditionalities were so vague as to be insubstantial (TIG 2009d). The opposition's focus on the political aspects of aid, rather than its economic or social implications, reflects the general absence of a public "bread and butter" discourse in Georgia, where politicians tend to focus on narrowly political questions alone. For example, there has never been a major public debate about health care in the country.[130]

Local NGOs, often referred to by donors as "civil society", also failed to oblige donors to manage their expectations. On October 1, 2008, three Georgian NGOs released a joint statement outlining these expectations:

> "It is critical that the affected communities, local authorities, NGOs, expert groups, and trade unions are involved in the process of needs assessment and related prioritization of funds disbursement. They should have a decisive voice in deciding what needs to be done and how this will be accomplished. The major decisions that will have an impact on Georgia's future should be taken with due public participation and with the support of the Georgian people…

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[125] For example, in 2004 the author wrote a proposal soliciting donor funding for an NGO project that aimed to build parliament's capacity by strengthening the links between parliamentarians and their constituents, and a separate concept paper outlining a proposed project to increase the capacity of parliament to engage in in-depth legal and policy analysis.
[126] "Democracy and Governance", USAID Georgia website, undated. Available at: http://georgia.usaid.gov/index.php?m=26&newsid=388 (acc. 20 June 2009)
[127] "Letter of Georgian Politicians to the Brussels Donors' Conference", Civil Georgia, 22 October 2008
[128] "Letter of Georgian Politicians to the Brussels Donors' Conference", Civil Georgia, 22 October 2008
[129] Statement by LNGO representative at Aid Monitoring Coalition meeting, Tbilisi, November 2008.
[130] Conversation with political analyst working for a local think-tank, Tbilisi, April 2009. A different political analyst pointed out that opposition parties lack the expertise to engage in in-depth policy discussions or develop policy alternatives (conversation in Tbilisi, May 2009).

Any international aid should be directly related to how the Georgian government implements its obligations related to developing a functioning democracy." (TIG/GA/GYLA 2008)

Aid protagonists subsequently did not give local non-governmental stakeholders the demanded "decisive voice" in aid discussions, and chose not to impose substantive political conditionalities for their aid. Subsequent demands by TI Georgia that donors open the doors to aid discussions (TIG 2008c, TIG 2009b) went equally unheeded. NGOs thus generally failed to *oblige* aid players to manage their expectations, with two exceptions. First, TI Georgia successfully lobbied the European Commission to publish the context of its political conditionality document (TIG 2009d). Second, the Georgian Ministry of Finance agreed to post all donor contributions on its website[131] (TIG 2008h, TIG 2009f). These two exceptions will be revisited in the conclusion of this chapter.

International aid to Georgia also remained unaccountable to ordinary Georgian citizens. Constituting a huge and very diverse stakeholder group, citizens are unable to collectively formulate a clear set of expectations; this role is fulfilled by their elected representatives in parliament domestically, and by their national governments externally. As parliament was not involved in aid processes, the executive branch became citizens' only representative in aid negotiations. As discussed above, Georgia's rulers' core expectations of the aid package included significant budget support and a stimulus package for the economy. However, these two expectations were not shared by the citizens ostensibly being represented at the talks, as a November 2008 nationwide face-to-face opinion survey of a representative sample of 1,837 Georgians that included eight questions on international aid shows (TIG 2008f).[132]

While the government favoured significant budget support, its citizens saw this as the least attractive option for channelling aid. Asked to identify the best way for aid providers to help Georgians, 56% named giving money directly to individuals, while 23% proposed letting independent experts decide on how to spend the funds. Channelling funds through the government – i.e. budget support – was the least popular option, preferred by only 11% of respondents (TIG 2008f). The government's interest in a stimulus package for the economy was also only partially shared by its citizens. Asked what the three top priorities for the allocation of international aid should be, out of a list of nine possible answers, "help IDPs and those directly affected by the recent conflict" topped the list as the first choice of over 20% of respondents, with a total of 54% of people naming this item. "Directly giving money to poor people" came second, named by 50% of respondents. These expectations are not reflected by the JNA which, with the sole exception of targeted social assistance (only USD 50 million), did not foresee any direct transfers of funds to poor Georgian citizens. Also, less than 20% of the JNA's proposed USD 3.26 billion package – and less than its road construction budget – was allocated to the two areas of intervention prioritized by ordinary Georgians: USD 412 million[133] were earmarked specifically for people directly affected by the August 2008 fighting,[134] and only USD 218 million were explicitly targeted at the poor.[135] The avenues through which donor funds were channelled and the purposes for which they were spent both suggest that the aid package for Georgia had been put together by actors who felt little obligation to manage Georgian citizens' expectations towards international aid.

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[131] "Donor Mapping", Ministry of Finance of Georgia website, undated. Available at: http://www.mof.gov.ge/en/external_relations/donor_mapping (acc. 01 April 2010)

[132] To the best of the author's knowledge, this was the first ever methodologically rigorous and nationally representative survey on popular aid priorities undertaken in any aid recipient country. The survey was implemented by experienced pollsters working for the Caucasus Research Resource Centers (CRRC) in Tbilisi.

[133] Based on the author's own calculations, using the figures provided in the JNA (UN/WB 2008a) and TI Georgia's analysis (TIG 2008d). The author's calculations are approximate and only aim to give an impressionistic picture of the proposed aid package.

[134] Calculated as the cost of resettling recent IDPs (USD 303 million) plus humanitarian aid (USD 109 million). Of course, IDPs and Buffer Zone residents also stood to indirectly benefit from other JNA items, such as health insurance, but these were not directly and explicitly targeted at them.

[135] Calculated as the cost of a proposed health insurance scheme (USD 168 million) and targeted social assistance for those expected to become impoverished in the course of the post-war economic downturn (USD 50 million).

Conclusion

Both case studies discussed in this chapter, Operation Assured Delivery and the aid allocation processes of September-October 2008, support the central hypothesis of this thesis, namely that accountability relationships in international aid reflect power relationships. Accountability and power were inextricably linked in international aid to Georgia. In both cases, aid providers consistently prioritized managing the expectations of more powerful stakeholders over managing those generated by stakeholders with less ability to punish or reward aid providers.

Operation Assured Delivery pitted two sets of stakeholders against each other. On the one side, the US and Georgian executives shared expectations revolving around broader political and military goals. On the other side, NGOs sought to preserve the neutrality of humanitarian space, and war-affected populations expected to be provided with relief that met their basic needs. Whenever the expectations of these two camps clashed, the relief operation prioritized managing and responding to the concerns of the more powerful stakeholder alliance. Of course, displaced Georgians did receive emergency relief, much of it useful, but this was not due to any *obligation* by aid providers to manage their expectations. Rather, aid providers chose to act in ways that sometimes happened to meet recipients' expectations. In order to generate an obligation, a stakeholder must have the power to punish or reward an organization to some degree. Georgian conflict victims wielded no such power over aid providers and therefore could not successfully hold them to account.

The central role played by power as an arbiter between rival expectations was also apparent in the development of the JNA and the Brussels aid package. Expectations by donors and the Georgian government that the aid package should send a clear political signal, strengthen the Georgian state and boost regime stability were fully met. In contrast, the opposition's call to give aid in ways that would not strengthen the regime was ignored, as were appeals by both the opposition and local NGOs to link aid disbursals to political conditionalities. Donors were free to ignore these expectations because these stakeholders lacked the *power to oblige* them to do so. For the same reason, the composition of the aid package failed to reflect expectations towards international aid held by Georgia's citizens: populations directly affected by the war only got a small slice of the overall pie, considerable funds were placed into the government's hands as budget support, and there were no direct cash transfers to ordinary citizens.

The theoretical part of this thesis argued that mainstream aid industry conceptions of accountability are based on the assumption that all players with a stake in aid share a unified interest in making aid more effective at relieving human suffering and achieving 'development' for the poor (see Chapter Three). The empirical data presented in this chapter strongly suggests that the reverse is true. Stakeholders generated a wide variety of often contradictory expectations towards international aid to Georgia. While some stakeholders did display an interest in making aid more effective, their expectations were frequently superseded by more powerful rival stakeholders' claims, some of which were diametrically opposed to the ostensibly universal goal of maximizing aid effectiveness. Therefore, donors are mistaken in believing that they can make aid more accountable to all stakeholders at the same time, just as they are misguided when they assert that more accountability necessarily translates into more effective aid.

This chapter has flagged two apparent exceptions to the rule that powerless stakeholders cannot oblige aid providers to meet their expectations. First, TI Georgia successfully lobbied the European Commission to publish the content of its political conditionality document (TIG 2009d) despite the Commission's considerable reluctance to do so.[136] The Commission only relented when TI Georgia threatened to issue and (through the TI Secretariat in Berlin) globally distribute a press release criticizing the donor based on the Accra Agenda commitment that "beginning now, donors and developing countries will regularly make public all conditions linked to disbursements" (HLF 2008:Article 25b). This Accra commitment is unusual in its specificity; most formal accountability standards in the aid world are far more vaguely worded. The Commission presumably felt obliged to manage TI Georgia's expectation only because the NGO had the power to embarrass the

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[136] The EC initially described the conditionality document as "confidential". Statement by TI Georgia analyst tasked with donor liaison, TI Georgia aid team meeting, Tbilisi, January 2009

Commission on the global stage and deliver ammunition to hostile stakeholders who did wield power over it. Second, the Georgian Ministry of Finance's External [Donor] Relations Department agreed to post all donor contributions on its website[137] following lobbying by TI Georgia (TIG 2008h, TIG 2009f). The NGO had some power vis-à-vis the department due to the fact that its publications were widely read by donor officials in Tbilisi[138] who in turn held the department's purse strings. (TI Georgia's subsequent press releases praising the ministry for its transparency were prominently posted on the ministry's website in English, presumably for an international audience.) Furthermore, the ministry did not have to manage any rival expectations that were opposed to disclosure, and posting the figures online required little effort, making the publication of this data an uncontroversial issue.

Rival expectations generated by more powerful stakeholders are not the only reason why external stakeholders such as parliament, opposition parties, NGOs, citizens and aid recipients frequently fail to hold aid protagonists accountable. There are four additional hurdles to making aid accountable to a broader range of domestic stakeholders: access to information, difficulties in pinpointing responsibility, limited demand, and limited capacity. (These hurdles will be revisited in the other empirical chapters.) First and foremost, aid protagonists frequently limited outsiders' access to information, making it difficult – if not impossible – for external stakeholders to formulate expectations and verify whether and how these were being met. By excluding outsiders from meetings and withholding key documents, those in the loop were able to shield themselves from having to manage unwelcome expectations in the first place. Second, outsiders often found it impossible to discern who was responsible for any given aid intervention. In order to effectively hold an organization to account, a stakeholder first needs to know who he needs to address his expectations to. In Georgia, individual aid recipients did not know who was responsible for the composition of their food rations. Equally, the World Bank was free to argue that it did not have to release donor-by-sector breakdowns because it had committed itself only to transparency in its own operations, but not to transparency regarding the activities of other donors, and that the government was responsible for the decision to withhold the JNA (Bruckner 2010d).

Third, some stakeholders may not be particularly interested in trying to hold aid actors to account. The Georgian parliament was a legitimate stakeholder by any measure, but was filled with regime loyalists whose main role was to rubber stamp decisions from above, earning the assembly the moniker of "government's notary" (Papava 2008). Therefore, parliament as an institution never formulated any expectations towards aid in the first place. (The political opposition figures who called on donors to impose conditionalities were boycotting parliament at the time.[139]) Georgian NGOs also remained overwhelmingly silent; only three of them – Green Alternative, GYLA, and TI Georgia – attempted to hold aid protagonists to account. Parliamentarians' and local NGOs' attitudes reflected a wider disinterest in aid issues within Georgian society. When the World Bank finally released the edited version of the JNA (UN/WB 2008b), the public disclosure of a plan that would strongly affect Georgians' lives for years to come failed to spark debates amongst politicians, think-tanks, or media outlets about the JNA or international aid.[140] Fourth, the capacity of domestic stakeholders in aid recipient countries is often low, limiting their ability to generate actionable expectations and verify to what degree they are being met. For example, just in order to understand the JNA, stakeholders would have to have a basic grasp of macroeconomics, be familiar with donor terminology, and understand written English well. This combination of skills is rare among Georgian parliamentarians and journalists, and even rarer among the general population. Meaningfully participating in high-level discussions about a USD 4.5 billion aid package would require an even more refined set of skills, further narrowing the circle of potential participants.

The present chapter has argued that the accountability relationships surrounding Operation Assured Delivery and the Brussels aid package reflected power relationships, focusing on power's role as an arbiter in contentious struggles between rival stakeholders with mutually incompatible expectations. International aid was primarily accountable to the powerful, often to the detriment of the powerless

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[137] "Donor Mapping", Ministry of Finance of Georgia website, undated. Available at:
http://www.mof.gov.ge/en/external_relations/donor_mapping (acc. 01 April 2010)
[138] Conversation with senior TI Georgia staff member, Tbilisi, November 2008.
[139] "Parliament Renounces MP Mandates of Eleven Opposition Leaders", Civil Georgia, 20 June 2008
[140] In contrast, some media outlets in Latin America reportedly do take an interest in aid issues. Conversation with senior policy coordinator of INGO, Berlin, August 2009.

and the poor. The following chapter will discuss aid accountability based on two case studies. The first case study will explore how power relationships affected the perceived legitimacy of stakeholders' in IDP policy formulation, while the second case study will examine how variations in the accountability pressures on different donors influenced their respective assistance strategies. The final empirical chapter, Chapter Six, will explore accountability struggles between stakeholders and organizations over bulk food aid targeted at conflict-affected Georgians.

Chapter Five:
Georgian IDP Policy and the Mushroom Villages

In September 2008, strange structures suddenly started mushrooming out of the plains west of Tbilisi, Georgia's capital. Day and night, in sunshine and under floodlights, construction workers laboured around the clock to build row after row of identical-looking small houses at breakneck speed. Within a few months, a state that had long refused to even contemplate durable housing solutions for IDPs had built nearly 4,000 new homes for close to 14,000 displaced people.

This chapter uses two case studies to examine the accountability of players involved in IDP housing policy and implementation in Georgia. The first case study examines accountability in the formulation of IDP policy in Georgia. Exploring the connections between power, accountability, and the perceived legitimacy of stakeholders' expectations, it documents how the Georgian government and donors struggled over the question of whether INGOs constituted legitimate stakeholders in national policy debates on IDP housing. Donors wanted to include allies INGOs in the process, and when donors' power vis-à-vis the host government was high, INGOs were invited to join the discussions and voice their expectations. When the pendulum of power swung back towards the government, both donors and INGOs were stripped of their status as legitimate stakeholders and excluded from policy formulation. Thus, the extent of the government's obligation to manage the shared expectations of donors and INGOs was strongly influenced by power relationships between the Georgian government on the one hand, and foreign donors on the other. Put differently, accountability relationships in the formulation of IDP policy reflected power relationships. Changes in the balance of power led to changes in accountability relationships, which in turn led to tangible changes in the official state policy towards IDPs.

The second case study takes an in-depth look at the donor-funded, state-led construction of nearly 4,000 'cottages' for new IDPs in 2008-2009.This housing programme was characterized by opaque decision-making, nebulous donor involvement, and labyrinthine financing and implementation structures that involved dozens of players, making it exceptionally difficult for outsiders to discern who was doing what, let alone who was responsible for what. In line with the predictions of the literature on accountability in New Public Management environments, this blurring of responsibilities significantly reduced the accountability of donors, state bodies and construction companies towards external stakeholders. However, such accountability deficits do not inevitably lead to disastrous outcomes. Examining the links between institutional donors' domestic accountability relationships and their engagement with IDP housing construction in Georgia, the case study suggests that donors that are less accountable to external stakeholders sometimes provide more effective aid – not despite their lack of accountability, but because of it. This finding casts doubt on the aid industry's claim that enhancing the accountability of aid will lead to better aid effectiveness.

The chapter concludes that the accountability relationships surrounding IDP programming in Georgia reflected power relationships. It closes with a discussion of how access to information, blurred responsibilities, and domestic stakeholders' limited demand and capacity for account-holding affected the accountability of the IDP resettlement programme, with particular reference to the accountability of the Georgian authorities.

Georgian IDP Policy: From Separation to Integration

- ***What happened?***

In the early 1990s, over two hundred thousand ethnic Georgians fled violence in Abkhazia and South Ossetia and became displaced within Georgia proper (CARE 2004:2). In the ensuing chaos, many of these internally displaced persons (IDPs) were temporarily assigned to – or themselves occupied – schools, hotels and other available buildings throughout the country.[141] Over the years, these so-

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[141] Statements in this section that are not referenced are informed by the author's experience as a consultant involved with an INGO shelter rehabilitation project in Georgia in 2002-2004, and research conducted by the author for a shelter rehabilitation proposal in 2004 (CARE 2004) and for a housing voucher proposal in 2006

called 'collective centres' or 'shelters' gradually became semi-permanent accommodation (Buck et al 2000). "Whole families live[d] crammed together in tiny 'rooms' with leaking roofs, broken windows, and access to neither clean water nor electricity" (CARE 2004:1). Collective centres varied considerably in size; some contained only a few families, while others housed over a thousand people.[142] For the next 15 years, successive national governments based their IDP policies on their parallel claim that the displaced would (sooner or later) return to their old homes within Abkhazia and South Ossetia, both of which were situated within Georgia's internationally recognized sovereign borders but were largely beyond the central government's control.[143] Throughout Shevardnadze's rule, and during the first few years of Saakashvili's presidency, aid providers were largely barred from implementing housing solutions that had an air of permanency (Matveeva 2005; see also Relief International 2006a, 2006b). The "integration of IDPs and their return were deemed to be mutually exclusive" by the state, which "considered the return of IDPs as the sole long term solution of IDPs' problems" (Bokuchava 2008:8). 'Temporary' shelters filled with Georgians desperate to go 'home' and separate IDP schools helped to bolster Georgia's claim to its lost territories internationally, and also helped to maintain inflows of foreign aid (Matveeva 2005). Meanwhile, international donors provided only very limited funding for shelter rehabilitation, enough to cover only minor repairs by short-lived NGO projects targeting a tiny number of collective centres at a time (OCHA 2004). Such isolated quick fixes were mere drops in the ocean. In September 2008, 44% of old IDPs – a total of 94,000 people – were still living in 1,600 'temporary' shelters across Georgia; 70% of these shelters did "not meet minimum living standards" (UN/WB 2008a:93 and 96; see also DRC 2003).

Georgia's official policy towards IDPs gradually shifted in the years after the Rose Revolution.[144] While senior officials continued to publicly insist that IDPs would be able to return in the near future, the government with the support of donors and the United Nations developed a new "State Strategy for Internally Displaced Persons", which was adopted in February 2007 (GoG 2007). The new strategy no longer saw a contradiction between IDP integration on the one hand, and IDPs' eventual return home on the other (Bokuchava 2008:8). It proposed "to reduce the number of collective centers, to gradually close them, vacating them for rehabilitation, and supporting alternative resettlement for IDPs" (GoG 2007:Chapter III:2.2.2) and to pursue the "integration of IDP-targeted programs [such as IDP benefit payments and IDP schools] into state programs" (GoG 2007:Chapter VI:1.5). The plan lacked operational detail, and the crucial question of financing remained unresolved, limiting its immediate relevance to IDPs' day-to-day lives.[145] In any case, Georgia went to war with Russia just one week after the Action Plan was formally adopted.

The war of early August 2008 fundamentally changed the context for IDP policy making. By September 2008, the old IDPs' prospects for returning home seemed more remote than ever[146], and

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(Relief International 2006a and 2006b). Research conducted for the shelter rehabilitation proposal (CARE 2004) included interviews with the following actors: CHCA, UNHCR, DRC, Save the Children, UNDP / New Approach, NRC, ICRC, Erani, UNOMIG, ACH, and the Ministry of Refugees and Accommodation (Tbilisi headquarters and Zugdidi branch). Research conducted for the housing voucher proposal (Relief International 2006b) included interviews with the following actors: UNHCR, UNDP, ICRC, PRM, SDC, USAID, ECHO, NRC, Save the Children, Urban Institute, Erani, CHCA, Ministry of Refugees and Accommodation, Kutaisi town hall, Zugdidi Chamber of Commerce, and Bank of Georgia. [The author has the notes from the latter interview series on file.] See TIG 2010b for an extensive annotated bibliography of documents and studies related to IDPs in Georgia.

[142] Visits by author to various IDP shelters in western Georgia, Borjomi town and Tbilisi, 2002-2009.
[143] Interview with head of Kutaisi office of INGO involved in IDP policy advocacy, Kutaisi, 2006. See also Matveeva 2005.
[144] Interview with Executive Director of INGO implementing IDP housing voucher project, Kutaisi, 2006; interview with ECHO official experienced in funding IDP-related projects, Tbilisi, 2006.
[145] According to an IDP policy expert familiar with donor-government interactions, the Action Plan was "basically meaningless because there was no money for IDPs then anyway" (personal email to the author, February 2011). A UN official dismissed it as a long 'wish list' (conversation with senior UNICEF official, Tbilisi, February 2009). The lack of financial hard data was reportedly intentional, as the Prime Minister's office declined to make any financial commitments (presentation on Georgian IDP policy by international expert, TI Georgia office, Tbilisi, 04 May 2009).
[146] According to Margaret Vikki, the Georgia country director of the Norwegian Refugee Council (NRC), the construction of the mushroom villages was "an acknowledgement of reality". Quoted in: "Houses in Georgia don't fulfill dreams of going home", New York Times, 23 October 2008

around 30,000[147] additional people – the 'new' IDPs – had to be considered "newly long term displaced" (UN/WB 2008a:6,53,57,Annex V). Also, with donors signalling their intention to finance a substantial aid package, IDP integration suddenly seemed a real possibility. According to the JNA:

> "The government has endorsed a policy of 'full support to local integration of IDPs from South Ossetia and Abkhazia' and has quickly adopted measures to implement it, in particular providing durable housing solutions… This has created a conducive political environment that is expected to benefit also to the IDPs from the previous conflicts." (UN/WB 2008a:13)

Referring to the 2007 State Strategy and the pre-war Action Plan, the JNA reports that:

> "The government has added to its IDP strategy, in order to encompass the response to the new displacements. The supporting action plan… consists of two parts, with the first including measures to be undertaken by the state budget and the second part presents the complementary measures to be funded and implemented by the international and non-governmental organizations within the framework given by the State Strategy." (UN/WB 2008a:13)

According to the JNA, its plans regarding IDPs were "aligned with the government of Georgia's housing strategy for new and old IDPs; all proposed actions for housing and winterization provisions are derived from that strategy" (UN/WB 2008a:94). The JNA itself envisaged the durable resettlement of all internally displaced persons in Georgia, priced at USD 796 million – approximately a quarter of the total size of the proposed aid package. All new IDPs should have durable housing by March 2009, at a cost of USD 303 million. Between March 2009 and the end of 2011, all old IDPs were to be permanently resettled, requiring a further USD 493 million in aid (UN/WB 2008a). The JNA noted that USD 220 million for IDP resettlement had already been included in the state budget or tagged as budget support, and therefore only requested an additional USD 576 million for this purpose from donors (TIG 2008d).[148]

To sum up, there are three distinct phases in Georgian IDP policy. From the 1990s until 2006, the government opposed any permanent housing solutions for IDPs, largely because it feared that the local integration of IDPs would undermine the prospects for their eventual return to the contested territories (Relief International 2006a). During the second phase, 2007-2008, the government in its State Strategy and Action Plan embraced durable housing in principle, but absence of political momentum, lack of funding and the August 2008 war precluded large-scale implementation. Throughout these years, international donors provided insufficient funds to support the large-scale IDP shelter repairs required; by 2006, donor funding for this purpose had nearly entirely dried up.[149] During the third phase, from September 2008 onwards, the government and donors (the latter initially guided by the JNA) actively pursued permanent IDP resettlement (UNHCR 2008c).

- ***Who were the main decision makers?***

The 2007 State Strategy for Internally Displaced Persons was developed by an official state commission created for that purpose in February 2006. The commission was composed of several ministers, and its work was led by the minister in charge of the Ministry for Refugees and Accommodation (MRA). The heads of a number of parliamentary committees were also invited to participate.[150] Thematic groups created by the commission included representatives from several UN

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[147] The JNA was written under extreme time pressure in a very fluid situation, and the figures it contains are sometimes inconsistent.

[148] According to a senior official in the Ministry of Finance, GEL 170 million from the 2008 state budget was used to finance IDP housing (conversation in Tbilisi, November 2008).

[149] By 2006, due to 'donor fatigue', USAID, ECHO and the European Commission had all stopped funding IDP shelter projects in Georgia proper (Relief International 2006a:3; also interview with USAID official, Tbilisi, 2006, and interview with ECHO official experienced in funding IDP-related projects, Tbilisi, 2006). Even UNHCR funding had slowed down (interview with UNHCR official involved in awarding IDP project grants, Tbilisi, 2006).

[150] See Bokuchava 2008:4 (footnotes 6 and 7). The extent to which these formal committee members actually attended and/or participated is unknown.

agencies including UNHCR, the Swiss donor SDC[151], two INGOs, and a local umbrella NGO (Bokuchava 2008:4-6). Speaking of a "successful joint effort", UNHCR staffer Bokuchava notes that "the role of the international organizations and local non-governmental sector has been immense in successful facilitation and completion of this process" (2008:7). The State Strategy was officially adopted in February 2007 through a decree signed by the then prime minister (GoG 2007).

In contrast, the subsequent Action Plan was developed exclusively by state ministries. Parliamentary representatives, donors, UN agencies and NGOs were not involved; neither were IDPs themselves.[152] The government justified this

> "by saying that the involvement of international organizations, local civil society and displaced population in the working process would make the adoption of the Action Plan within the agreed short timeframe rather difficult. And since the final decision-making right rests with the state, it was deemed reasonable to involve only the government agencies in the process of drafting the Action Plan. (Bokuchava 2008:12-13)

Noting that "the implementation of the [State] Strategy depends on the Action Plan", Bokuchava comments that:

> "It is particularly regrettable that the IDPs were not involved in the process of developing the Action Plan either. Unlike the Strategy, the IDPs do not have a feeling of "ownership" (as they did not participation [sic] in drafting thereof) and have a skeptical attitude towards the Action Plan." (Bokuchava 2008:13)

Like the State Strategy, the Action Plan was formally adopted by governmental decree, in late July 2008 (Bokuchava 2008:16, footnote 27). The JNA was written by donors and was never adopted as a formal document by the Georgian authorities. However, it had been developed in close collaboration with the Georgian executive government, and explicitly referred to the State Strategy and the Action Plan.

- ***Which players had the power to reward or punish these decision makers?***

The exact power relationships underpinning the formulation of the IDP State Strategy and Action Plan are opaque. Through their technical expertise, the placement of long-term consultants and provision of aid, international actors – especially UNHCR – have significant informal influence within the MRA.[153] However, despite formal MRA leadership of the process of developing the State Strategy and Action Plan, it is unclear what power the MRA exerted vis-à-vis the other governmental participants in these deliberations. On the one hand, the MRA is considered a political lightweight that has little domestic clout in comparison with other ministries.[154] On the other hand, as the Georgian government shows little interest in the elaboration of formal plans that do not have immediate effects,[155] IDP policy development may really have been led by the MRA.

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[151] At the time, SDC was one of the few donors still funding IDP shelter programming in Georgia (Relief International 2006a:3). Over years of continuous engagement, SDC had built up considerable expertise on IDP housing issues in the country.

[152] While the State strategy was mainly driven by international players, the reverse was true for the Action Plan. In any case, most ministers get rotated frequently in Georgia, and new ministers usually do not find the time to read voluminous strategy papers. (Conversation with mid-ranking donor official actively involved in IDP policy matters in Georgia for nearly a decade, Tbilisi, April 2009.)

[153] Conversations with several high-ranking UNHCR officials based in Georgia, Tbilisi, 2009; interview with US diplomat representing a donor agency involved in IDP policy deliberations, Tbilisi, 2006.

[154] Conversation with shelter expert working for Georgian LNGO, London, September 2010. See also Bruckner 2009.

[155] Conversation with executive director of policy and advocacy LNGO, Tbilisi, November 2008. See also Bruckner 2009.

- *__What were the interests and expectations of these powerful players?__*

Donors, the UN and INGOs – notably the Danish and Norwegian Refugee Councils – had for years lobbied both the Shevardnadze and Saakashvili administrations to pursue IDP integration.[156] With the formal adoption of the State Strategy in 2007, the Georgian government had finally dropped its opposition to integration and had embraced durable housing in principle (GoG 2007). After the August 2008 war, the JNA noted that both the government and donors were strongly in favour of integration (UN/WB 2008a). Guided by the JNA, several donors agreed to bankroll a comprehensive nationwide resettlement programme with hundreds of millions of dollars (UN/WB 2010). However, the interests and expectations of the government and aid providers were not perfectly aligned. While both sides from 2007 onwards agreed on the overall direction of IDP policy – i.e., integration – there were significant disagreements about how such a policy should be implemented.

The role to be played by affected IDPs in the resettlement process was the main bone of contention between the government and foreign aid providers. The State Strategy, which was developed with substantial input from international actors (Bokuchava 2008:5), clearly stated that "IDPs shall be protected against arbitrary / illegitimate eviction" (GoG 2007:Chapter V:2.2). Echoing UNHCR's worldwide approach to durable housing (UNHCR 2010:452), the State Strategy's first two "main principles of implementation" emphasize the voluntary nature of any resettlement and the importance of IDPs' participation in decision making:

> "1.1. Voluntary Decisions and Free Choice of IDPs
> Taking into account that according to the legislation of Georgia, IDPs make key decisions voluntarily and without pressure, implementation of the strategy should foresee clearly determined mechanisms for appeal.
> 1.2. Dialogue with IDPs and their participation in decision making
> IDPs participate in the planning and implementing of activities envisaged in the strategy, in an organized manner." (GoG 2007:Chapter VI:1.1 and 1.2)

The Georgian government's subsequent actions indicate that it did not share aid providers' concerns about making the resettlement process participatory and contingent on individuals' choices. First, the government excluded all external stakeholders from the process of developing the crucial follow-on Action Plan (see above). Then, it used its sole authorship of the plan to drop provisions aimed at protecting IDPs from arbitrary or forceful eviction from collective centres from its final version (Bokuchava 2008:16).

Despite this indication that the government was not willing to concede a greater role to individual IDPs in the relocation process, donors used their authorship of the JNA to reinsert the issue into the housing agenda. The JNA envisages fully consulted and informed IDPs who are provided with choices between different housing solutions (UN/WB 2008a:17). It states that "a menu of options will be offered to the displaced including: one time cash and utility-payment vouchers for resettling IDP families; conversion of public buildings; and construction of individual rural and urban houses" (UN/WB 2008a, cited in TIG 2008d). The resettlement process should make "provisions for IDPs to have maximum freedom of choice in the housing and shelter arrangements in order to choose a solution that is most appropriate to their preferences and living arrangements"; a footnote adds that "transparent and fair selection criteria are used to determine which IDPs will relocate and resettle where" (UN/WB 2008a:95).

Three points stand out here. First, the JNA adds the notion of "selection criteria"; the 2007 State Strategy (GoG 2007) contained no reference to such criteria. This is problematic not only because it represents a disjuncture with previous government policy, but also because there appears to be a logical contradiction between IDPs making their own free choices on the one hand, and outsiders making choices for IDPs based on selection criteria on the other (see also TIG 2008d). Evidently, aid providers themselves were not entirely clear about how resettlement should ideally be implemented in practice. Second, donors used their authorship of the JNA to return the notions of IDP choice and participation to the resettlement policy agenda despite the fact that the Georgian government had

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[156] Numerous conversations with UN, donor and NGO officials involved in IDP housing policy formulation and implementation, Tbilisi, 2004, 2006, and 2008-2009. See also footnote 1 of this chapter.

deliberately – albeit quietly – omitted these from its own Action Plan only months before.[157] Third, as with the State Strategy in 2007, the Georgian government in 2008 (informally) endorsed the JNA as a whole, despite the fact that the JNA contained some provisions that ran counter to the government's intentions.[158] As the remainder of this chapter will show, the parallels with the State Strategy do not end here; as soon as the government was back in the driving seat and the process moved from top-level planning towards lower-level implementation, free choice and participation disappeared from the agenda again. As early as September 2008, Oxfam warned that "IDPs are not consulted prior to making decisions… However, it seems to be difficult to find a practical way how to consult and involve IDPs" (UNHCR 2008b; see also EUG 2009). Six months later, a representative from a leading local NGO noted that the government had still not published any selection criteria.[159]

- ***How did formal accountability standards shape actions on the ground?***

The concerns about IDPs' free choice and participation raised by aid providers in Georgia are only partially reflected in the United Nations' Guiding Principles on Internal Displacement (UN 1998), the key international standard pertaining to IDPs (Public Defender of Georgia 2010:8). The Guiding Principles, which are approvingly referred to by both the Georgian State Strategy (GoG 2007:2 and 5) and the JNA (UN/WB 2008a:48 and 94), were developed "to guide governments as well as international humanitarian and development agencies in providing assistance and protection to IDPs" (UN 1998:Foreword). They "do not constitute a binding instrument" (UN 1998:Introduction). The Guiding Principles provide legitimacy for donors' attempts to push for IDP participation, stating that "special efforts should be made to ensure the full participation of internally displaced persons in the planning and management of their… resettlement and reintegration" (UN 1998:Principle 28). However, they mention neither free choice nor selection criteria. Instead, the principles only recognize IDPs' "right to be protected against forcible… resettlement in any place where their life, safety, liberty and/or health would be at risk (UN 1998:Principle 16). The Guiding Principles are therefore not only non-binding, but also contain no clear provisions that might constrain action by the government or aid providers. In general, IDPs enjoy less protection under international law than refugees do: "at [an] international level there is no universal and legally binding definition of the term 'internally displaced person'" (Public Defender of Georgia 2010:8).

Other international instruments also fail to establish minimum qualitative or quantitative standards for IDP housing. While SPHERE specifies clear minimum standards – e.g. in terms of square metres per person – for emergency shelter construction (Sphere Project 2004), these only apply in relief situations, and do not extend to follow-on durable housing for longer-term occupation.[160] Maybe recognizing this, the JNA calls for the domestic setting of minimum standards for the Georgian resettlement programme: "specifications and minimum standards for construction will be elaborated by the government of Georgia" (UN/WB 2008a:97). When such standards were eventually developed for the resettlement of 'old' IDPs, Georgian officials were "heard to murmur that the minimum building standards, which exceed what many rural Georgian enjoy, are unattainable, and were only developed

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[157] The lack of government 'buy-in' into the notion of free choice became increasingly apparent during the implementation process. According to The Economist, "[o]fficials talk of displaced people being offered an 'informed choice' between different housing options. But critics contend that often the only real choice is whether to accept the single option on offer". See: "Displaced and Disgruntled in Georgia", The Economist, Eastern Approaches, 02 November 2010.

[158] Commenting on new IDP relocation procedures adopted in 2010, an IDP housing expert commented that "[t]he procedures are not legally binding. They were approved by the MRA's Steering Committee... but there is a real risk that many key points of this new document, meant to protect the rights of IDPs, will go the same way as other documents developed and approved by the Steering Committee with the same goal in mind. Previous and legally binding principles have not been fully adhered to, including 'fair and transparent criteria' and 'voluntary/informed decision making and free choice of IDPs'… Many of the lofty principles contained in strategy documents for IDP assistance have been driven by the international community, but the government does not always have the capacity or will to implement them". See: Caitlin Ryan, "Government To Unveil New Procedures on IDP Evictions" (blog post), 28 September 2010. Available at: http://www.transparency.ge/en/blog/pgovernment-unveil-new-procedures-idp-evictionsp (acc. 24 March 2011)

[159] Conversation with representative of LNGO advocating for the rule of law, Gori, March 2009.

[160] The government refused to adopt SPHERE standards for resettlement, something that UNHCR had reportedly urged it to do. Conversation with evaluator working for international aid research organization, Tbilisi, March 2009.

to please foreign donors".[161] Furthermore, due to strong executive control over the judiciary through the General Prosecutor's Office (Papava 2008), IDPs seemed unlikely to be able to successfully challenge the authorities in court if and when such standards were not met by government-led resettlement programmes. As early as March 2009, government officials were indicating that they would accept "deviations" from the standards when resettling old IDPs.[162]

To sum up, by September 2008 the Georgian government was willing and – thanks to substantial donor support[163] – able to begin resettling both new and old IDPs throughout the country. The government and donors agreed on the central goal of IDP integration, but differed on questions of implementation, notably on the extent of IDP choice and participation during the resettlement process. Whenever either party gained control of the policy drafting process, it used the opportunity to ensure that the resulting document reflected its own views on the contentious issues of choice, selection and participation. While a wide range of outside players – including local NGOs and IDP representatives – were involved in the formulation of the State Strategy, these were subsequently excluded from the government-led Action Plan deliberations. Arguing that in any case, "final decision-making right rests with the state" (Bokuchava 2008:12-13), the government questioned their status as legitimate stakeholders in the process. IDPs and other stakeholders were similarly excluded from the donor-led JNA discussions (see Chapter Four).

The following section discusses how the joint government-donor policy of IDP integration translated into the rapid government-led construction of settlements for 14,000 new IDPs in the autumn and winter of 2008-2009.

The Mushroom Villages

- ***What happened?***

Starting in September 2008, the government of Georgia built 13 new settlements consisting of nearly 4,000[164] individual 'cottages'. Using floodlights, contractors worked literally around the clock, completing all houses between December 2008 and January 2009.[165] Construction was financed through European Commission grants, World Bank loans, and (indirectly) through American budget support channelled via USAID; the total cost was USD 94.5 million (TIG 2010a, UN/WB 2010). By late January 2009, close to 14,000 long-term new IDPs[166] from the August war had been moved into these new settlements (TIG 2010a:5). IDPs were sometimes, though not always, unable to choose which settlement they would move into.[167]

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[161] "Displaced and Disgruntled in Georgia", The Economist, Eastern Approaches, 02 November 2010. Partly, this may have been a question of mandate and perception. International actors focused on IDPs pushed for high standards, but the government ruled a country in which poverty was widespread and many people lived in bad housing conditions, making it essential not to overallocate resources to one group (presentation on Georgian IDP policy by international expert, TI Georgia office, Tbilisi, 04 May 2009).
(presentation on Georgian IDP policy by international expert, TI Georgia office, Tbilisi, 04 May 2009).
[162] Conversation with Regional Representative of INGO specializing in IDP issues, Tbilisi, March 2009.
[163] A senior UN official caustically commented that the settlements were financed by "some other taxpayers" (conversation in Tbilisi, February 2009).
[164] The exact number of cottages is unclear. Most sources report 3,963 houses, but the MRA puts their number at 3,979. See TIG 2010a:5 (footnote 2).
[165] "Houses in Georgia don't fulfill dreams of going home", New York Times, 23 October 2008
[166] Only around two thirds of the estimated 22,000 long-term new IDPs were resettled in cottages. The others were eventually rehoused in buildings renovated by the government and in two additional settlements built by Germany and Turkey, or were given a one-off cash compensation (TIG 2010a). This section focuses exclusively on the 13 Georgian government-built settlements and their inhabitants.
[167] Numerous interviews by the author, his research assistant, and TI Georgia aid team members with resettled IDPs in several mushroom villages, Georgia, 2008-2009. Some IDPs reported being given free choice, while others reported the opposite. For example, an IDP representative told the author that he had chosen her new settlement because he had been promised two rooms; in fact, his new dwelling only had one room. He called the result "forceful settlement". (Conversation with head of new IDP settlement ("mamasakhli"), Khashuri, February 2009.) In contrast, an IDP in a different settlement reported having been given free choice between two "mushroom villages". She chose to move to Akhalsopeli because it had better farming land. Individual houses within Akhalsopeli were allocated through a lottery. She nevertheless complained that the houses in Tserovani settlement near the capital were much better, suggesting that moving there had not been offered as an

The immense speed of construction had serious repercussions for the quality of the new homes.[168] Some cottages were in much better condition than others (Public Defender of Georgia 2010:33-34). Residents soon reported problems with leaking roofs, damp and mouldy walls, warped floorboards, cracked plastering, and badly fitted doors and windows.[169]

- ***Who were the main decision makers?***

The genesis of the decision to build nearly 4,000 houses for IDPs within an extremely tight timeframe remains shrouded in mystery (TIG 2010a:9). Even now, years after the fact, it is unclear who decided and did what, when, where, why and how.[170]

Who took the decision to build the 'mushroom villages' – nicknamed for the speed with which they grew out of the ground – remains unknown (TIG 2010a).[171] All available evidence points to joint decision-making by the Georgian government and at least one major donor (EC, World Bank, and/or US). Donor support for the government's plan is implied in the JNA, which includes "power line connections to new IDP villages" as a budget item (UN/WB 2008a:178). The sheer audacity, ambition and speed required to build 4,000 houses before the first snowfall – a plan that many international experts considered impossible[172] – indicates that the Georgian government very probably initiated the idea (see also TIG 2010a:18).[173] After the completion of the programme, Saakashvili publicly claimed that his government had built the 'cottages' in the same time it would have taken "the international organizations" just to do the "paper work".[174] However, in the immediate aftermath of the war,

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alternative option. (Conversation with resettled IDP, mushroom village Akhalsopeli, March 2009.) Houses in two comparatively good settlements, Bazaleti and Saguramo, were taken quickly. Reportedly, IDPs with local government connections had gotten word early and quickly signed up. Other IDPs reported simply having been told which settlement to move to. (Feedback from two TI Georgia staff members who had visited several settlements the preceding week, TI Georgia aid team meeting, Tbilisi, March 2009.)

[168] President Saakashvili later admitted that new IDP housing built by Germany, which took until October 2009 to complete, was of "superior quality". "New IDP settlement opened thanks to Germany", The Messenger (Tbilisi), 26 October 2009. Available at: http://www.messenger.com.ge/issues/1968_october_26_2009/1968_eto.html (acc. 01 Nov 2009)

[169] The author conducted numerous field visits to several new IDP settlements between January and May 2009. In addition, several members of TI Georgia's aid monitoring team regularly visited the settlements during the same time period, and shared their data during weekly office meetings (see Chapter One; see also Bruckner 2009, Bruckner 2010a, Bruckner 2010e, TIG 2009g, and TIG 2010a). The Economist commented that "much of the building work has been shoddy"; see: "Displaced and Disgruntled in Georgia", The Economist, Eastern Approaches, 02 November 2010. (This view was shared by the Georgian human rights ombudsman; see: "Self-Immolation Incident Highlight Desperation of Georgian IDPs", RFE/RL, 29 October 2010.) An October 2010 media report claimed that some IDPs had begun leaving the settlement of Khurvaleti in April 2010 due to "unbearable conditions", see: "Self-Immolation Incident Highlight Desperation of Georgian IDPs", RFE/RL, 29 October 2010. A summary of some IDPs' complaints by the Anti-Crisis Council lists the following: "doors and windows need to be fixed, frames should be replaced, there are gaps between floorboards, laminated floors, ceilings and sanitary facilities need to be repaired, wall plaster falls into pieces, humidity is high" (ACC 2009b). One IDP told the author's research assistant that her family had to sleep with plastic sheeting spread over their blankets in order to protect the bedding from drops of water falling from the ceiling (conversation between research assistant and IDP in Shavshvebi settlement, February 2009).

[170] Conversation with shelter expert working for Georgian LNGO, London, September 2010.

[171] Part of the reason for this is the Georgian government's style of decision-making, in which "the most important decisions are always taken… over dinner." Conversation with Georgian citizen working for international donor organization, Tbilisi, April 2009.

[172] Numerous interviewees, including shelter experts with international experience, expressed their disbelief at how quickly the Georgian government had built the houses. Interviews in Tbilisi and Gori, 2008-2009. For example, an INGO project manager involved in shelter programming said that "I've never seen anyone build houses so quick" (conversation in Gori, January 2009), and a shelter engineer from the Balkans working for an INGO said that "I have never seen a government build so fast" (conversation in Tbilisi, February 2009).

[173] As late as 03 September 2008, the UN Shelter Cluster, which included UNHCR and donor representatives, signalled donor readiness to support temporary winter shelters for 6,000 IDP households (UNHCR 2008a).

[174] "Saakashvili Delivers State of Nation Address", Civil Georgia, 12 February 2009. Donor pressure for rapid disbursement and expenditure of funds before renewed 'donor fatigue' set in may also have contributed to the government's haste. This was certainly the case with the subsequent resettlement of 'old' IDPs, which falls beyond the scope of this thesis (conversation with Regional Representative and with Country Director of INGO specializing in IDP issues, Tbilisi, March 2009).

Georgia's rulers faced a severe budgetary crisis and could impossibly have launched a new public works project costing nearly a hundred million dollars without the approval and support of external donors (UN/WB 2008a, UN/WB 2008b). Donor officials in Georgia apparently gave the government informal assurances that it could start construction immediately in the knowledge that its initial expenses would later be reimbursed.[175] This was confirmed by Interior Minister 'Vano' Merabishvili in a public statement:

> "We have decided not to wait for the international funds to come and started to allocate the budgetary funds; but these expenses will be reimbursed by the funds received from international [donors] and eventually, perhaps if not the large part, at least certain part of the expenses will be covered by the foreign aid."[176]

Donors seem to have kept their word and reimbursed the government. According to the Georgian Ministry of Finance[177], the European Commission released 10 million Euros for "targeted budgetary support to reimburse expenses incurred by GOG from 2008 budget for IDP housing construction" in December 2008, and a further 51.5 million for "targeted budgetary support related to IDP housing construction in 2008 and 2009" the following year. Also according to the Ministry of Finance, in late 2008, the World Bank provided USD 40 million for "municipal and regional infrastructure devt." via the MDF; significantly, September is given as the "project start date", but the loan agreement itself was only signed in October. The United States transferred USD 250 million in budget support in November 2008; while this money was earmarked for other purposes[178], the fungibility of this kind of assistance suggests that US support indirectly helped to enable settlement construction by freeing up resources elsewhere in the state budget.

The exact timing of the decision to build is also unknown.[179] Most publicly available sources mistakenly suggest that the decision was taken in early September 2008. A TI Georgia report points to a decree on post-war recovery financing dated September 8, 2008 (TIG 2010a:9). The JNA highlights a different decree, issued just days later:

> "On September 11, 2008, the Government of Georgia issued a Government Decree outlining its preliminary strategy for responding to the housing needs of the newly displaced. Action toward the provision of new housing for IDPs started soon after including the construction of around 4,700 [sic] new housing units." (UN/WB 2008a:94, see also UN/WB 2008a:7)

However, the decision to build at least some of the settlements must have been taken even earlier, in August. Mtskheta municipality signed its first contract[180] with the construction company New Energy on September 9, 2008 (TIG 2010a:11), just one day after the decree cited by TI Georgia, and two days *before* the decree mentioned by the JNA. Before the first contract was signed, the government must have identified some suitable land for construction, developed a design and specifications for the 'cottages' (TIG 2010a:5), and sketched out the basic financing modalities. Therefore, the original decision must have been taken during August, within three weeks of the end of fighting, and several weeks before the JNA team arrived in Tbilisi. The author himself first heard rumours regarding the new settlements in late August 2008.[181]

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[175] According to a senior UNHCR official, the US government was strongly involved in the decision to build the new settlements. He claimed that the decision was taken in a meeting at the US embassy in "very early September" 2008 (conversation in Tbilisi, March 2009).

[176] "Ministers Brief on IDP Housing Project", Civil Georgia, 24 December 2008

[177] "Donor mapping - Georgia (Reflects October 2008 Brussels Donors Conference Pledge)", Ministry of Finance of Georgia website, undated. Available at: http://www.mof.gov.ge/en/3212 (acc. 30 Dec 2010) See also EU/WB 2010.

[178] "U.S. Government Transfers $250 Million to the Government of Georgia for Budget Support", US embassy press release, Tbilisi, 21 November 2008. Available at: http://georgia.usembassy.gov/pr-11212008.html (acc. 30 Dec 2010)

[179] Conversation with shelter expert working for Georgian LNGO, London, September 2010.

[180] All other Mtskheta and MDF construction contracts were signed during September 16-22, 2008 (TIG 2010a:9).

[181] The earliest record on file is an email from an INGO staff member to the author dated 27 August 2008 which reports the rumour; the author's reply makes clear that he had already heard it by then. On 3 September 2008, the author emailed a fellow researcher as follows: "Do you have any stats on arable land in Georgia that is still owned by the central government? Some people are talking about resettling recent IDPs, maybe in new villages."

Who led the implementation of the "mushroom villages" plan is also not completely clear. There is no comprehensive paper trail.[182] According to a media report, "President Saakashvili tasked [Interior Minister] Merabishvili in September to coordinate housing program for the internally displaced persons."[183] Merabishvili's subsequent appearance at a press conference presenting the programme to the public supports this impression[184], as did rumours circulating in Tbilisi at the time.[185] However, in response to a formal Freedom of Information request submitted by TI Georgia on February 25, 2009, the Ministry of Interior denied all involvement in the programme[186], leaving open the possibility that Merabishvili, a powerful government insider and confidante of the president (ICG 2008, Timm 2010), may have taken on the coordination role as an individual, without the involvement of his ministry.[187] Such uncertainty regarding internal government processes is not unusual in Georgia. According to the International Crisis Group, "President Saakashvili and a relatively small group of insiders are responsible for the running of the state. Frequent changes in ministerial portfolios do not seem to negatively affect governance" (ICG 2010:2).

Two bodies oversaw the actual construction process.[188] The first was the Municipal Development Fund (MDF), which had originally been created by the World Bank to oversee large Bank-financed infrastructure projects. The MDF registered as a legal entity of public law in 2007, and after the war against Russia evolved into a multi-donor trust fund whose advisory council is chaired by the Georgian prime minister (TIG 2010a:9, footnote 26). Formally, the second body supervising construction was the municipality of Mtskheta, a small town immediately west of Tbilisi that was located close to several of the building sites. In reality, the municipality's role may have been limited. According to a November 2008 posting on a regional government website, "the construction work is conducted… under the supervision of Tsezar Chocheli, the Governor of Mtekheta-Mtianeti Region".[189] New Energy, the construction company, also refers to the "direct supervision of the Governor" on its website.[190] Regional governors are directly appointed by the president and act as presidential power-brokers outside Tbilisi; while they do not have clearly defined administrative or supervisory functions, they are powerful figures.[191] In contrast, municipalities' governing bodies are locally elected and have administrative functions, but generally have few resources and low capacity, and their power is largely limited to implementing decisions made in Tbilisi (Timm 2010).[192]

Aiming to complete the settlements before winter, both the MDF and Mtskheta municipality used closed procurement processes to save time (TIG 2010a:10). The MDF directly contracted 14

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[182] According to an expatriate political observer and long-time resident of Georgia, such a lack of a coherent paper trail is not unusual in Georgian government programmes, which often place little value on documenting decision-making and implementation processes in detail. (Conversation with the author, Tbilisi, December 2008. See also di Puppo 2008.)

[183] "Ministers Brief on IDP Housing Project", Civil Georgia, 24 December 2008

[184] "Ministers Brief on IDP Housing Project", Civil Georgia, 24 December 2008

[185] Numerous conversations with INGO and LNGO officials, Tbilisi, 2008-2009. Due to the widespread lack of transparency and paper trails in Georgian government programmes, local and expatriate political observers in Georgia customarily draw on rumours and other unverifiable data to inform their understanding of government activity.

[186] Letter from Georgian Ministry of Interior to TI Georgia, 20 April 2009.

[187] An alternative – and equally plausible – interpretation is that the ministry simply lied in its FOIA response.

[188] In addition to building the "mushroom villages", the government concurrently renovated vacant housing throughout the country for IDPs. These efforts fall beyond the scope of this thesis. However, it is interesting to note that these renovations were undertaken by different government agencies in different places. Briefing by Civil Registry Agency representative to a UN-convened NGO meeting, Tbilisi, 19 February 2009.

[189] "Refugee resettlement (Tserovani, Tsilkani, Prezeti)", Mtskheta-Mtianeti Municipality website, 07 November 2008. Available at: http://www.mtskheta-mtianeti.gov.ge/page6ENG.html (acc. 03 August 2010) The governor's heavy involvement was confirmed by a senior UNHCR official in a conversation with the author, Tbilisi, June 2009.

[190] "Settlements for IDPs (in Tserovani, Tsilkani, Frezeti)", New Energy website, undated. Available at: http://www.neg.ge/news.php?id=22 (acc. 03 August 2010)

[191] Governors are widely believed to wield great informal power, but their tasks are only very loosely defined by law. As a result, "what they do is absolutely unclear" and may vary from one region to the next. Conversation with local government expert, Tbilisi, April 2009

[192] Conversation with Country Director of INGO involved in local government project, Tbilisi, January 2009.

companies to build 1,263 houses. Mtskheta contracted just one private business, New Energy[193], which in turn subcontracted work to dozens of other companies to build 2,700 'cottages' (TIG 2010a:10). Over 50 companies were involved in total.[194]

- ***Which players had the power to reward or punish these decision makers?***

The power to reward or punish the decision-makers and implementers involved in the "mushroom village" programme rested with the Georgian executive, the United States government (through its control of USAID and "domineering role"[195] within the World Bank), and the European Commission. All of the key players identifiable on the Georgian side – the prime minister, the interior minister, and the regional governor – had been appointed by the president and directly reported to him. As in Operation Assured Delivery, the protagonists on the ground were primarily accountable towards their superiors in Washington D.C., Brussels and Tbilisi.

- ***What were the interests and expectations of these powerful players?***

Due to the absence of salient documentation, the expectations of the powerful Georgian executive towards the "mushroom village" programme can only be inferred.[196] It is entirely conceivable that Georgian leadership concern for the well-being of the new IDPs – which was shared by international donors – was a key motive driving the construction effort (Bruckner 2009:173). However, the decision to build close to 4,000 houses at such high speed requires further explanation, especially as there is a trade-off between cost, speed and quality in construction projects.[197] Why, then, did the Georgian government press for completion before the winter, against the advice of international experts?[198]

Two powerful arguments in favour of rapid construction are obvious. First, the slower option of winterizing the new IDPs' temporary shelters in late 2008 and only beginning construction in spring 2009 would probably have been more expensive. Superficial shelter winterization would have cost an average of USD 1,000-2,500 per family[199], requiring tens of millions of dollars to be spent on a stop-gap measure with no lasting benefits for IDPs or their host communities. Second, the new IDPs were housed in public buildings that would be required by other users in the near future. In mid-September 2008, with the school year about to begin, 51 public schools and 171 kindergartens in Tbilisi alone were occupied by over 18,000 IDPs (UN/WB 2008a:118). Teaching would only be able to resume in full if and when the displaced were moved to alternative accommodation (UN/WB 2008a:8).

The massive high-speed resettlement programme may also have managed less obvious expectations by the executive government: removing the embarrassing human fallout of the disastrous war from

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[193] The company's website can be found at www.neg.ge (acc. 03 August 2010)

[194] Conversation with senior World Bank official, Tbilisi, February 2009.

[195] See Ritzen 2005:99. (Jozef Ritzen is a former vice president of the World Bank.)

[196] The New York Times approvingly observed that "[w]hen compared with state housing programs used in other emergencies – Hurricane Katrina comes to mind – the Georgian building program is swift and bureaucracy-free". See: "Houses in Georgia don't fulfill dreams of going home", New York Times, 23 October 2008.

[197] Conversation with construction engineer tasked with assessing mushroom village building quality, Tbilisi, March 2009.

[198] An INGO employee involved in shelter projects described the government's approach as "durable [housing] or nothing". He noted that the Georgian government refused to listen to advice, commenting that "I've never seen such a proud country" (conversation in Tbilisi, February 2009). A senior World Bank official pointed out that international agencies are "used to dealing with dysfunctional governments", and are therefore not used to not having their own way, and tend to be very critical when host governments try to implement themselves (conversation in Tbilisi, February 2009).

[199] In a conversation with the author in Tbilisi in December 2008, a shelter expert working for an INGO estimated a cost of USD 1,000 per family. The JNA estimated an average cost of USD 2,000 per household (UN/WB 2008a:100). Based on a limited survey of potential buildings, UNHCR in early September 2008 estimated a renovation cost of USD 2,500 per family for temporary shelter for six months, compared to a USD 10,000-15,000 renovation cost for permanent shelter. Shelter group representatives told the Minister for Refugees that the available space in buildings identified for temporary winterization by the ministry was "nothing compared to what they [the ministry] want to cover with temporary accommodation", but "underlined that the international community would be ready to support MRA and the GoG in implementing other solutions that would allow to offer temporary shelter before the winter to at least 6,000 additional IDP households" (UNHCR 2008a).

the gaze of the capital's inhabitants, improving its image at home and abroad[200], impressing alienated donors and an increasingly critical public with visible results[201], bailing out well connected construction companies facing post-war bankruptcy, and generating ample opportunities for graft in the top echelons of power, notably in Merabishvili's interior ministry (for a full discussion, see Bruckner 2009:173).[202]

The expectations of donors towards the programme can also only be inferred. Like all donors involved in IDP policy formulation, both USAID and the European Commission had long advocated IDP integration through the provision of durable housing. In addition, both Washington and Brussels had a strong interest in bolstering Georgia's political and economic stability. The "mushroom villages" fully met both donor expectations.

- ***What information on aid did stakeholders have?***

Access to information is a necessary, though not sufficient, precondition for accountability. Without pertinent information, stakeholders cannot pinpoint responsibility, precisely formulate or effectively communicate their expectations, or verify the extent to which these expectations are being met (see also Bruckner 2010e). The UN refugee agency UNHCR, whose office in Georgia predominantly deals with the internally displaced, has declared that "the right to seek, receive and impart information is a basic human right" (UNHCR 2010:394). Chapter Four highlighted how lack of access to information on the August 2008 relief operation precluded some stakeholders – including war-affected Georgian citizens – from holding aid providers accountable for their decisions and actions.

In the case of the "mushroom villages", access to information was extremely limited, weakening the accountability of the programme. It is unclear who decided to build the settlements, and who was responsible for designing and implementing the housing plan.[203] Evidently, the original decision was taken behind closed doors by a narrow circle of government and donor officials, and was never formally announced, precluding outside stakeholders from effectively voicing their expectations during the planning stage. The first official public statement on the new settlements was only made by the Georgian authorities four months after the decision had been taken, on December 24, 2008. By this time, the relocation process was reportedly 95% complete, and over 10,000 people had already been moved into their new homes.[204] Prior to this date, even stakeholders with sophisticated research skills and internet access would have found next to no information on the settlements in the public realm.

UNHCR's apparent ignorance of the "mushroom villages" plan highlights that even well-connected aid industry insiders may sometimes lack crucial information on large-scale programmes financed through international aid. UNHCR officials in Tbilisi claimed that their organization had only learnt of the government's plan by chance after staff members noticed extensive construction sites by the side of the road to Gori.[205] Peter Nikolaus, UNHCR's representative in Georgia, told the New York Times in October 2008 that he "realized that the building had already started and almost been completed, and nobody informed us".[206] The phrase "almost been completed" suggests that UNHCR learnt of the plan in late September at the earliest – at least one month after the idea had first been conceived.

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[200] One observer dismissed the new settlements as a "major media stunt" by the president, intended solely to impress foreigners (conversation with head of INGO, Tbilisi, February 2009). Interpretations of the government's motivations varies widely among respondents interviewed by the author.

[201] On of the ways in which the Georgian government accounts to its rural population is through implementing tangible projects on the ground. Conversation with local government expert, Tbilisi, April 2009.

[202] Shota Utiashvili, spokesman for the Interior Ministry, told a foreign journalist that the settlements had been built with funds out of the ministry's budget, but refused to give him a list of the companies. Conversation with foreign journalist, Tbilisi, April 2009.

[203] A Georgian political analyst commented that such confusion is not limited to outsiders. Due to the authorities' frequent recourse to ad hoc arrangements to get things done, he argued, "nobody in government is sure who is responsible for anything either" (conversation with political analyst, Tbilisi, April 2009). A different analyst echoed this claim, saying that most people only hold the president responsible, as ministers are discouraged from taking the initiative, are expected to follow orders from above, are frequently rotated between positions, and depend on "highly personalized relationships" (conversation in Tbilisi, April 2009).

[204] "Ministers Brief on IDP Housing Project", Civil Georgia, 24 December 2008. See also WFP 2009a.

[205] A senior UNHCR official told the author that UNHCR and the MRA had both only learnt about the new settlements "six weeks" after the decision was taken (conversation in Tbilisi, May 2009).

[206] "Houses in Georgia don't fulfill dreams of going home", New York Times, 23 October 2008.

Considering UNHCR's close personal and institutional links with major donors in Tbilisi, and its extensive expertise in IDP shelter issues, it seems extremely surprising that the lead UN agency on displacement issues should not have learnt of the plan within days, in August 2008. However, a UNHCR document dated September 3, 2008 strongly suggests that UNHCR at that date did not know of the mushroom village plan (UNHCR 2008a).[207] On September 8, UNHCR reported that "[t]he suggestion has been made to settle IDPs in *abandoned* villages. MRA considers this option as a possibility" (UNHCR 2008b, emphasis added). Then, in a document written just two days later, on September 10, UNHCR asks the government to clarify "[h]ow many prefabricated houses will be ready before the winter" (UNHCR 2008c). While it is impossible to verify with absolute certainty at which point in time UNHCR finally learnt of the plan, it appears that it did so at the time of the launch[208] of the JNA assessment on September 8, 2008.[209]

The way in which the JNA discussed the "mushroom villages" illustrates that the production of copious amounts of paperwork by the aid industry does not equal transparency. In an annex, the JNA, which was finalized on October 9, 2008, foresaw providing "[d]urable housing by new house construction and rehabilitation" for 7,260 households by March 2009 (UN/WB 2008:99-100). In hindsight, it is obvious that the "mushroom villages" fall into this category. However, the JNA never made any explicit mention of a plan to build over a dozen new settlements on greenfield sites in central Georgia. Instead, the entire "mushroom villages" programme is obliquely alluded to in one single sentence of the 214-page document:

> "The quick and decisive actions taken by the authorities in dealing with conflict-affected populations have done much to dampen possible social risks. A key policy step has been the decision to provide housing for all displaced and to construct 4,700 of [sic] houses and refurbish 2,500 flats before next spring… financed entirely through the 2008 budget." (UN/WB 2008a:21)

With the "mushroom village" needle thus concealed within the JNA haystack, most officials from donor agencies not directly involved in funding the "mushroom villages" were probably unaware of the joint government-donor resettlement plan when they sat down to pledge a collective USD 4.5 billion to Georgia at the October 22, 2008 conference in Brussels. The apparent reluctance of the two major donors to the programme to clearly communicate the details of the plan or their role in it was not an isolated aberration. After two years of research by a dedicated team of aid monitoring staff, TI Georgia was still unable to ascertain which donor had financed which settlement, or which houses within co-financed settlements. A 2010 study[210] on the "mushroom villages" by the local watchdog organization concluded with the following words:

> "This report is missing a section that details who financed which cottage settlements because it is extremely difficult to follow the path of aid funds. The World Bank and European Commission have not done enough to explain what they funded in a way that is traceable and comparable." (TIG 2010a:19; see also Bruckner 2010e)

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[207] The document was written for subsequent distribution to Shelter Group participants, a group that included donor and INGO officials.

[208] "WB-led Needs Assessment Mission Visits Georgia", Civil Georgia, 08 September 2008

[209] A in IDP policy discussions with good connections within UNHCR commented in an email that "I would not be surprised to hear that UNHCR knew about it ahead of time, but equally unsurprised to know that they didn't know. Neither one bodes well for them." (Personal email to the author, February 2011) The single sentence in the JNA that obliquely refers to the new settlements (UN/WB 2008a:21) was written by the "Return. relocation and resettlement team", which was led by the UN and included at least one UNHCR official. Therefore, UNHCR must have learnt of the plan before the JNA's completion date, i.e. October 9, 2008. Reportedly, the MRA also only learnt about the new settlements when construction was already at an advanced stage; see Bruckner 2009 for a detailed discussion.

[210] TI Georgia's April 2010 report on the accountability of the mushroom villages (TIG 2010a) is cited several times in this chapter. The report, which is extremely well-researched, was written by TI Georgia staff in Tbilisi without any input from the author of this thesis, who had left Georgia ten months earlier.

Access to information on the implementation of the plan was also limited.[211] Who within the government coordinated the effort remains unclear. In addition, existing documentation on the construction process names a municipality as a key implementer even though effective oversight apparently rested with a presidential appointee rather than with a formal body. It took TI Georgia over a year of dedicated research to establish the identities of the construction companies involved in building the new settlements (TIG 2010a).

- ***How did formal accountability standards shape actions on the ground?***

Attempts to hold the government and donors accountable were complicated not only by a lack of accessible information, but also by the absence of salient global standards applicable to the long-term resettlement of IDPs. Formal standards can help stakeholders to hold organizations accountable by defining exactly what an organization is supposed to do and/or refrain from doing. If stakeholders can show that an organization is in breach of widely accepted standards, they can formulate their expectations with reference to these standards. This can bolster the legitimacy of stakeholder expectations, as they are only asking the organization to act in line with principles that it has committed itself to adhering to, and/or that are based on a widely shared consensus on how it should act. As discussed above, global standards covering IDPs' long-term integration (UN 1998) contain no provisions applicable to the Georgian case and in any case are non-binding.

The JNA implicitly recognized this when it suggested that the Georgian government itself should establish minimum standards for resettlement-related construction. The government did not subsequently publish such standards.[212] One of the most surprising features of the "mushroom village" programme was that the 'cottages' were built to at least two different design specifications (which were also not made public): only three of the settlements – including the flagship one closest to Tbilisi – consisted of houses with indoor plumbing, while the buildings in the other ten only had shared communal taps and outhouses (TIG 2010a).[213] It remains unclear who took the decision to adopt two different standards within the same programme, and for what reasons (Bruckner 2009).

A senior UN official complained to the author that donors treated the Georgian government and international agencies (including NGOs and UN bodies) differently when it came to standards in IDP housing. According to this source, donors "blow money up [the] ass" of the Georgian government, while on the other hand strictly controlling what aid agencies do. For example, one donor complained that an electricity cable installed in an IDP dwelling did not meet the right standards; the informant argued that if the government had done the same work, it would not have installed any cable whatsoever.[214]

- ***Which stakeholders were unable to hold aid providers accountable?***

The speed, secrecy and ad hoc manner in which the "mushroom village" programme was designed and implemented limited the ability of stakeholders who were not directly involved to formulate and communicate their expectations.

The accountability relationships of the donors involved – the US, the World Bank and the European Commission – are complex. Foreign aid providers apparently acted in line with their Paris and Accra

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[211] A representative of a Georgian think-tank pointed out that the Georgian government often works without documentation, citing the example of a 50-month programme that was based on a six-page document. He cautioned that talking about access to information only makes sense if there is information that can be accessed in the first place. Statement made at Aid Monitoring Coalition meeting, Tbilisi, November 2008.
[212] According to one observer, keeping IDPs in the dark about their rights, potential choices and standards creates uncertainty and fear; as a result, IDPs accept whatever option is being offered to them. (Conversation with Country Director of INGO working with IDPs, Tbilisi, March 2009.) While this observation was made in the context of the resettlement of 'old' IDPs from 2009 onwards, the underlying logic is equally applicable to the case of the "mushroom villages". (For an excellent discussion of how the Georgian government maintains order and control through generating uncertainty, see Timm 2010.)
[213] The flagship settlement closest to Tbilisi, which had indoor bathrooms and was frequently shown to foreign visitors by government officials, was "two levels above" the other settlements in terms of quality. Conversation with shelter engineer working for INGO, Tbilisi, February 2009.
[214] Conversation with senior UN official, Tbilisi, June 2009.

commitments to boosting host country ownership and "mutual accountability" between donors and recipient governments by following the policy lead of the government,[215] endorsing rapid construction and favourably managing expectations for post-construction refinancing through direct budget support. Thus, these donors appear to have been responsive to the Georgian government to a remarkable extent.[216] In contrast, their peer accountability to fellow donors was nonexistent; the latter remained formally[217] unbriefed because the "mushroom village" plan was not clearly[218] outlined by the JNA. Donor accountability to the new IDPs whom the 'cottages' were being built for was extremely weak. The two key donors' support of the programme was underpublicized; the author did not hear of a single case in which a relocated IDP mentioned either the World Bank or the European Commission. Both donors seemed content to remain outside the limelight – and outside the firing line, should things go wrong – and leave the government to manage the expectations of its various domestic constituencies by itself.[219] The extent of World Bank and European Commission accountability to the UN, and to UNHCR in particular, remains unknown.

Inside Georgia, 'horizontal accountability', defined as "the capacity of state institutions to check abuses by other public agencies and branches of government, or the requirement for agencies to report sideways" (Stapenhurst and O'Brien, no date; see also O'Donnell 1998:119) between different state structures, was completely absent. Parliament and the political opposition were not briefed on the programme, precluding them from generating expectations. Accountability between different ministries was undermined by the *ad hoc* implementation structure, which apparently excluded the nominally responsible MRA (Bruckner 2009). However, vertical accountability was clearly present. All the protagonists of the implementation stage – the interior minister, the prime minister, and the regional governor – had been appointed by, and presumably directly reported to, President Saakashvili. Therefore, the "mushroom village" undertaking was vertically accountable to Georgia's chief executive, who clearly had the *power to oblige* his appointees to favourably manage his expectations regarding the programme. The suspected corruption within the construction effort[220] says little about the strength of this accountability relationship as the precise content of Saakashvili's expectations remains unknown. Incidences of graft may either be interpreted as a direct response to presidential expectations of spoils for his supporters, indicating strong vertical accountability, or else

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[215] Due to the lack of publicly available information, there remains a theoretical possibility that donors originally forced the "mushroom village" programme onto a reluctant government behind closed doors. However, this appears highly unlikely.

[216] The department in the Ministry of Finance responsible for donor liaison was asking donors to provide as much budget support as possible because it saw budget support as the fastest way to pump additional resources into the local economy following the post-war economic slump (conversation with senior official of the Ministry of Finance, Tbilisi, November 2008). Budget support was the Georgian government's top aid priority (statement by senior donor official at donor meeting, Tbilisi, October 2008).

[217] Some donors were undoubtedly informally briefed. For example, Germany and Turkey between them built hundreds of housing units for the new IDPs in parallel to the government-led programme, and must have been briefed at some stage.

[218] When the author conducted an in-depth analysis of the JNA in late 2008, he missed the (very few) references to the new settlements in the JNA. He only discovered them retrospectively while re-reading the JNA for this thesis.

[219] If things went well, donors would have additionally boosted regime stability by letting the government take credit for the success of the programme – which Saakashvili eventually did during his 2009 "State of the Nation" address (quoted above). In 2005, the author witnessed the implementation of a programme in Afghanistan's Ghor province that was entirely donor-financed and donor-implemented, but was purposely designed to give Afghans the impression that it was their own national government that was paving district bazaar roads for them. (Observation confirmed in conversation with donor official, Chaghcharon, Afghanistan, October 2005.)

[220] The extent and patterns of corruption in the construction effort are unclear. Tina Khidasheli from GYLA later alleged that two of the construction companies selected had given "generous donations" to the ruling party ahead of elections held earlier in 2008 ("Self-Immolation Incident Highlight Desperation of Georgian IDPs", RFE/RL, 29 October 2010). The government reportedly paid construction companies less than was required to cover construction costs, but contractors refused to go on the record with their complaints. See: "It's a shelter but not a home", Christian Science Monitor, 28 December 2008. While the government reclaimed construction costs in full from international donors, it allegedly did not pay all companies involved in full, suggesting that some public officials may have personally profited from the programme (Bruckner 2009:177, footnote 21). A foreign journalist reported speaking with a New Energy construction worker who had been paid less than half of what he was owed (conversation in Tbilisi, April 2009). However, corruption did not have a very large impact on the quality of construction. According to a construction engineer who had visited several settlements, "you cannot expect much better with such a quick response" (conversation with INGO employee, Tbilisi, February 2009).

as a circumvention of high-level expectations of probity by lower-level players during implementation, which would suggest that upwards accountability was more limited in practice.

The programme was only partly accountable to Georgia's new IDPs. The government maintained silence about the programme on the national stage until late December 2008, when construction had been virtually completed and most IDPs were already living in their new 'cottages'. This is a typical behavioural pattern of the post-revolutionary Georgian regime, which regards information sharing and consultation with its own populace and formal groups such as NGOs as a waste of time at best, and as an obstacle to effective action at worst.[221] Withholding information from stakeholders is thus a deliberate policy aimed at liberating the government from the constraints of managing complex webs of conflicting expectations, giving decision-makers maximum latitude for action. In addition, the government is reluctant to open its doors and books because it sees the media and opposition as "crazy and slanderous".[222]

The information blackout precluded IDPs (and NGOs) from effectively advocating for specific changes in the "mushroom village" programme. However, it did not remove their basic expectation that the government should provide them with adequate food and shelter. Beginning in August 2008, new IDPs in the capital tried to oblige the government to heed and meet their expectations for food and housing through protest actions. On several occasions, loosely organized groups of IDPs without clear leadership demonstrated outside parliament or blocked roads outside their temporary shelters.[223] The government had progressively curtailed media freedoms since the revolution (Papava 2008), and used its established clout to exert substantial pressure on the media not to cover these protests.[224]

In addition, it worked through newly created power structures within the "mushroom villages" to dissuade IDPs from launching protest actions such as blocking the main East-West highway.[225] This is an interesting illustration of the links between accountability and power: by protesting, IDPs tried to assert their *power to oblige* the government to manage their expectations; the government in turn tried to limit its obligation to manage these expectations by reducing IDPs' ability to project power through protests.

However, it would be wrong to claim that the "mushroom village" programme was not accountable to IDPs at all. True, IDPs themselves were not consulted regarding the overall plan, the location of

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[221] Conversation with Executive Director of LNGO involved in policy development, monitoring and reform, Tbilisi, November 2008; conversation with political researcher, Tbilisi, April 2009
[222] Conversation with Georgian political scientist, Tbilisi, April 2009.
[223] The author witnessed an apparently spontaneous and uncoordinated IDP protest outside a temporary shelter in a Tbilisi suburb in late August 2008; this very short-lived protest blocked a major Tbilisi traffic artery for about 20 minutes but did not generate any media coverage. An unknown number of small and apparently spontaneous IDP protests outside the parliament building in September 2008, one of which the author witnessed, also went unreported by the media. IDP have difficulties organizing larger protests because in Georgia's "particularistic culture", people identify themselves primarily as members of a family or village, rather than of a social group. (Conversation with political analyst, Tbilisi, May 2009.) A meeting convened by a local NGO to inform IDP representatives in Gori illustrates the particularistic nature of many claims by IDPs, and their frequent inability to rally around common demands. The meeting descended into chaos when two IDPs began screaming at each other because one had accused the other of lying about her house in South Ossetia burning down in order to get aid. Informational meeting for IDPs convened by GYLA, Gori, March 2009.
[224] According to an IDP expert working for a local think-tank, "the government instructed all media outlets not to pay attention" (Tbilisi, April 2009). A freelance journalist with extensive media contacts confirmed that the government had explicitly told some editors not to cover IDP stories. He explained that while there were "stories" of direct threats, government pressure was often brought to bear indirectly, via the owners of television stations and newspapers (conversation in Tbilisi, February 2009). For example, in early January 2010, IDPs from the Khurvaleti, Karavaleti and Tsmindatskali mushroom villages blocked Georgia's East-West highway linking Tbilisi with the west of the country. These incidents "received very little media attention", a fact that some IDPs explained with reference to the upcoming local elections across Georgia, implicitly alluding to government pressure on TV stations. See Caitlin Ryan, "The controversy over energy payments in IDP cottage settlements" (blog post), 23 February 2010. Available at:
http://www.idp.ge/geo/index.php?option=com_content&view=article&id=153:2010-03-30-08-44-03&catid=1:2009-01-03-10-27-45&Itemid=3&lang=en (acc. 26 June 2010).
[225] Conversation with IDP living in newly built mushroom village, Shida Kartli, February 2009.

settlements, house designs, or the rules according to which families would be given houses.[226] The government did, however, build nearly 4,000 houses for the newly displaced. While its reasons for doing so may have been complex and not limited to considerations about IDPs' welfare, the sporadic IDP protests since August 2008[227] show that the government could not have escaped the *obligation* to manage their expectations to some degree (as governments elsewhere may have been able to do). The government did try to ensure that IDPs' expectations for shelter were met, but it sought to do so on its own terms, without direct IDP participation, representation or voice, following its entrenched maxim that 'the government knows best what is good for the people'.[228]

Conclusion

The empirical data on IDP policy formulation and the "mushroom village" programme supports the central hypothesis of this thesis: accountability relationships in international aid to Georgia reflected power relationships. Stakeholders and organizations were engaged in ongoing power struggles to define what kinds of accountability demands by which stakeholders were legitimate and therefore entailed an obligation to respond. The more power a given stakeholder had over an aid provider, the more able he was to call that provider to account and oblige it to respond to his expectations.

IDP policy formulation in Georgia illustrates how actors can engage in power struggles over what kinds of accountability demands by which stakeholders are legitimate and therefore entail an obligation to respond. During the development of the State Strategy, a coalition of donors and NGOs 'pulling' in the same direction – in other words, bundling their aligned expectations – succeeded in obliging the government to heed their expectations, at least on paper: the contentious points of IDP choice and participation featured prominently in the final document. When the agenda moved on to the formulation of the all-important Action Plan, the government excluded donors and NGOs with the argument that ultimately the government itself was the only legitimate decision-maker in questions of domestic policy. By framing the issue of stakeholder participation as one of state sovereignty, the government asserted that donors and NGOs did not constitute legitimate stakeholders in the context of national state planning, and that it therefore was not *obliged* to manage (or even listen to) their expectations. This was true in more than a legal sense: with no funds for IDP housing in the pipeline at the time, donors could do little to reward or punish the government on IDP issues, leaving them *powerless to oblige* the government to heed their wishes. By delegitimizing stakeholders and their accountability demands, the state gained sole power over the policy-making process, enabling it to write and adopt an Action Plan that did not foresee IDP choice or participation.

After the war, donors used their sole authorship of the JNA to reinsert IDP choice and participation into Georgian housing policy. In a post-Soviet display of '*obedezco pero no cumplo*', the government seemingly relented when it tacitly approved the JNA, but then paid no heed to the JNA's provisions once it was back in control during the implementation stage.[229] This raises interesting questions about

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[226] With the exception of an IDP registration drive in 2007, the MRA has never launched a broad information campaign for IDPs, let alone a large-scale structured consultation. Conversation with staff member of INGO with extensive experience in IDP programming, Tbilisi, May 2009.

[227] IDP protests heated up in 2010-2011, when the government began evicting old IDPs from collective shelters in Tbilisi in order to relocate them to new homes outside the capital. One displaced woman immolated herself outside the MRA, and opposition politicians participated in IDP demonstrations in Tbilisi, making it impossible for the government to ignore IDPs' grievances ("IDP Sets Herself on Fire Outside Ministry", Civil Georgia, 27 October 2008). Subsequently, the eviction process was temporarily suspended. The resettlement of old IDPs during 2009-2011 is beyond the scope of this thesis.

[228] One interviewee argued that a lack of consultation did not mean that the government was completely unaccountable to its people, pointing out that senior United National Movement officials closely followed the results of opinion polls in Georgia. (Conversation with political researcher, Tbilisi, April 2009.) The government's strong interest in opinion surveys was independently confirmed by a different political analyst (Tbilisi, May 2009). Reflecting a perception that is arguably not uncommon among the Tbilisi elite, yet another Georgian political analyst stated that "85% of society is hopeless, [those people] do not know what to do with this state", adding that the opposition parties did not have any programmatic alternatives on offer (Tbilisi, April 2009). A political scientist noted that the government seemed quite "misanthropic" and often saw its own population in a hostile way (at a discussion roundtable about post-revolutionary changes in Georgia, Tbilisi, November 2008).

[229] 'Obedezco pero no cumplo' translates as 'I obey but I do not comply'. It refers to a practice adopted by Spanish colonial officials in Latin America towards laws and orders issued by the distant Spanish crown, many of which were divorced from local realities and/or ran counter to local officials' private interests. Instead of openly

donors, recipient states and international aid in general. Donors worldwide display an obsession with planning and policy documents, in practice often writing entire national development plans such as Poverty Reduction Strategy Papers for aid recipient governments (for example, see Mosse 2004). Donors' power is usually highest during the policy-making stage. By looking at policy papers, donor officials can easily verify whether their expectations have been met. Implementation presents a more muddled picture, and if the host government is the implementing partner – as was the case in with the "mushroom villages" – donors' relative power wanes as time wears on and money gets spent.

Thus, policy papers tend to reflect donor expectations, while recipient governments' expectations are better discerned by studying their actions on the ground at a later stage. The disjuncture between original plans and subsequent implementation is especially strong in Georgia, whose leadership is notorious for discarding plans as soon as they have been completed. (An INGO staff member with extensive international experience commented that "I've never seen a government that changes its plans so quick and so often."[230]) While it might appear that donors inevitably emerge from this dynamic as the losers, the real outcome is win-win. Referring to the contents of policy papers, donor officials posted abroad can provide their distant superiors with written 'proof' of their agency's 'success' in influencing a recipient government's stance and actions. Later on, the existence of mutually agreed-upon and agreeably worded policy documents helps host governments to assuage donor concerns as they strive for maximum latitude of action during the implementation stage. In other words, donors get to read what they want to read, and host governments get to do what they want to do.

The literature reviewed in Chapter Two indicated that because of their comparatively strong accountability to domestic stakeholders and resulting sensitivity to corruption scandals, bilateral donors in general and USAID in particular tend to avoid directly funding recipient government programmes, preferring to work through ring-fenced projects instead. In contrast, multilateral donors' domestic accountability is more diluted, enabling them to take greater risks (Bolton 2007). This pattern was clearly visible in Georgia. The big-ticket "mushroom village" programme entailed considerable corruption and reputational risks, so USAID chose to nominally earmark its (highly fungible) budget support for less visible and less risky ventures. At the same time, in line with its practice elsewhere (Bolton 2007:132-133), the US can be assumed to have strongly encouraged the World Bank to finance an undertaking that its own bilateral donor agency was unable to fund due to domestic political constraints. The second financier of the programme, the European Commission, is also a multilateral donor with 'diluted' domestic accountability. A look at bilateral donors' actions confirms this interpretation. While bilaterals did provide resources for IDP housing in general, not one single-state donor chose to fund the government-run programme. The two state donors who bankrolled durable accommodation for the new IDPs did so through ring-fenced projects; both Germany and Turkey directly implemented their own housing construction projects.[231] Neither the World Bank nor the European Commission actively advertised their funding of the new settlements – which were arguably a success, albeit a qualified one (TIG 2010a) – outside Georgia. Thanks to their 'diluted' accountability, they did not feel obliged to actively render account to voters, taxpayers and pressure groups in the countries where their funds originated. Due to the opacity and low international profile of the programme, the two key donors' accountability to extra-governmental Western stakeholders was negligible; this very fact probably made their involvement possible in the first place.

A paucity of publicly available information, difficulties in pinpointing responsibility, and limited demand and capacity for account-holding by domestic stakeholders all affected the accountability of the "mushroom village" programme. This chapter has argued that withholding information from stakeholders is a deliberate policy of the Georgian government. If stakeholders cannot formulate their expectations in the first place, the government's obligation to manage these expectations is reduced. This not only strengthens the regime's ability to push through its own agenda, it also saves it the time

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challenging the wisdom of such directives from above or refusing to obey them, local officials in Latin America maintained a veneer of obedience and subservience while at the same time not implementing measures they disagreed with. The phrase frequently crops up in the literature on Latin American politics (for example, see Phelan 1971).

[230] Conversation with INGO staff member, Tbilisi, February 2009. For an in-depth analysis of why the Georgian government acts in this way, see Bruckner 2009.

[231] The German and Turkish projects fall outside the scope of this thesis.

and resources required to manage complex webs of conflicting expectations. Also, as stakeholders cannot discern what the government is doing, Georgia's rulers are shielded – at least for some time – from having to endure criticisms of their actions and formulate appropriate responses. In the case of the "mushroom villages", the government only formally announced the programme once it had been virtually completed, tens of millions of dollars had been spent, and thousands of IDPs had been moved into their new homes. Before that announcement, stakeholders could not oblige the government to manage their expectations regarding the programme because they did not know what the programme entailed. Afterwards, stakeholders could not oblige Georgia's rulers to manage their expectations because the programme had already been completed and the money spent. When IDPs in the "mushroom villages" sought to make their expectations widely known through protests, the government reacted by limiting the public's access to information on these protests.

In order to effectively hold an organization to account, a stakeholder first needs to know which organization bears responsibility and therefore should be obliged to manage his expectations. When the government publicly took credit for the overall programme, it assumed responsibility for its success and failure in most Georgian's eyes. Such host government leadership of a resettlement process is fully in line with international law and UNHCR recommendations:

> "The primary responsibility to provide durable solutions to IDPs needs to be assumed by the national authorities. International humanitarian and development actors have complementary roles." (UNHCR 2010:452)

However, the government's claim to ownership served to obscure the considerable responsibility – for better or for worse – that the World Bank and European Commission also bore for the undertaking. This shielded the two donors from criticism once the quality problems with the 'cottages' became public knowledge. (Interestingly, the donors' public invisibility may have made it easier for them to subsequently honour their confidential 'gentlemen's agreement' to refund the Georgian state for the expenses incurred by the construction effort despite the apparent flaws in implementation.) The question of the extent of donor versus government responsibility for the programme is not merely academic. According to a recent TI Georgia report, most of the 'cottage' defects stem less from shoddy construction than from bad design (TIG 2010a). As long as it remains unknown who approved the design(s) of the cottages, stakeholders can call neither the government nor donors to account for what was arguably the largest single flaw of the USD 94.5 million programme.

Dozens of relocated IDPs interviewed for this thesis in 2009[232] regarded the government as overall responsible for the "mushroom village" programme, but this left unresolved which body was legally responsible for fixing the defects in their houses and therefore should be approached with expectations of repairs. A study released in April 2009 reported that

> "[a]s a result, some people fall into the role of passive aid recipients, simply waiting for help as they feel powerless to take control of their own lives, perpetuating aid dependency. Other IDPs contact multiple structures for help with one problem – these may include *mamasakhlisi* [local settlement leaders appointed by the authorities], local government representatives from their villages of origin or the area of resettlement, regional governors, the ombudsman's offices, and ministries and agencies both in the regions and in Tbilisi, often demanding to speak to the top official in person. This creates considerable unnecessary stress, frustration and work, not only for IDPs but also for officials. Yet other people seek help with their problems through unofficial channels, thereby laying the ground for future clientelism and corruption. Access to information was regularly identified by IDPs as a major concern." (TIG 2009g:4)[233]

Approaching multiple agencies for help created considerable confusion, as different players often provided contradictory information. For example, one resettled IDP reported that the local mayor had

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[232] Most of these were interviewed by the research assistant. Information gathered by the research assistant (rather than directly by the author himself) is referenced as such throughout this thesis.
[233] This general pattern was also observed by other actors working with IDPs (conversation with INGO project manager, Gori, January 2009; conversation with representative of the Gori Ombudsman's office, Gori, March 2009; conversation with two ACC staff members, Tbilisi, April 2009).

told her that she would only have to stay in her new dwelling for one year, while the regional governor told a group from her settlement that their new housing was permanent.[234] At a meeting between local officials and aid providers in Gori, a representative of the German donor GTZ asked officials where to direct IDPs who wished to secure a place in the planned German-constructed settlement. The deputy governor vaguely replied that GTZ should refer them on to their local district mayor *or* to their majoritarian member of parliament.[235] Whether the responsibility for necessary post-construction repairs in the "mushroom villages" lay with donors, the MRA, the Ministry of Interior, the MDF, Mtskheta municipality, and/or the multitude of construction companies involved was equally unclear.[236]

The preceding chapter noted that many stakeholders in Georgia seemed uninterested in calling aid providers to account. With the exception of TI Georgia, no domestic stakeholder tried to hold the donors who financed the "mushroom villages" accountable for their actions. In contrast, the government did confront expectations formulated by a number of domestic sources, but only after construction had been completed. In early 2009, the opposition was occupied with trying to topple the government wholesale, and in the aftermath of a disastrous war displayed little interest in finding weaknesses in an individual government-led programme that had little impact on the Tbilisi constituencies that their planned counter-revolution depended upon for success. The Anti-Crisis Council (discussed at greater length Chapter Six) failed to make itself heard on the subject, and the docile parliament remained silent. The national ombudsman was the only official body to widely disseminate a comprehensive report on IDP resettlement (Public Defender of Georgia 2010). Only two strong local NGOs – TI Georgia and GYLA – chose to actively engage with the issue. Some IDPs who had been relocated to the "mushroom villages" tried to oblige the government to manage their expectations through protest actions; however, most IDPs did not participate in these protests. In any case, the opacity and complexity of the programme were so high that most domestic stakeholders would have been unable to formulate actionable expectations of the programme before, during or after its implementation, if only because of their own limited capacity.

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[234] Conversation with resettled IDP, Sanatorium 'Poladi', Surami, February 2011.

[235] UN-led meeting between aid providers and local government officials, Gori, 27 March 2009. Majoritarian MPs are directly elected by constituencies in a first-past-the-post system. The Georgian parliament contains both majoritarian MPs and MPs voted in through nationwide party lists.

[236] Conversation with head of new IDP settlement ("mamasakhli"), Khashuri, February 2009. An IDP in the same settlement who had approached various government agencies for help commented that "everyone says, 'that's not my responsibility'". Conversation in Khashuri, February 2009.

Chapter Six:
Inedible Food Aid and Phantom Accountability

This chapter discusses the links between power and accountability in the provision of bulk food aid to conflict-affected people in Georgia. Food aid has already been touched upon in Chapter Four, which documented how geopolitical considerations led the Republican administration to put the US military in charge of 'humanitarian' relief operations. While InterAction publicly criticized this move and the inappropriateness of some of the relief goods delivered, several INGOs with country offices in Tbilisi cooperated with the US military in the distribution of military food rations of dubious utility. This chapter deals exclusively with food aid procured and managed by the United Nations World Food Programme (WFP) after the stockpile of military rations had been exhausted in late August 2008. From then onwards, WFP distributed thousands of tons of food in Georgia, delivering standard food parcels to up to 136,000 people per month. As of April 2011, WFP was continuing to operate in Georgia.

The present chapter documents how, in the course of distributing their aid in 2008-2009, WFP and its INGO partners clearly violated a wide array of global standards setting out how aid in general and food aid in particular should be managed and delivered. Nevertheless, neither the UN agency nor its partners were ever effectively called to account for their actions in Georgia. The central hypothesis of this thesis is that accountability relationships in international aid reflect power relationships. In the preceding theoretical chapters, accountability was defined as "the obligation to manage the diverse expectations generated inside and outside the organization". Chapter Four showed how organizations give priority to managing the expectations of those stakeholders who have greater power to punish or reward them. Chapter Five explored how power-laden struggles about stakeholders' legitimacy and the ensuing exclusion of non-governmental stakeholders influenced IDP policy formulation in Georgia, and the ways in which a variety of power-suffused accountability pressures shaped donor support for, and governmental implementation of, the "mushroom village" programme. The present chapter argues that the power-accountability nexus also influences the extent to which stakeholders can oblige organizations to meet their expectations. In particular, this chapter discusses how various stakeholders were unable to punish WFP and its partners for their multiple violations of widely accepted aid standards.

While this chapter only deals with a single case study, the structure it follows is similar to that of the preceding empirical chapters, based on the same seven research questions. The first section provides an overview of WFP-managed food aid to Georgia, and explores the linkages and power relationships between donors, WFP and NGOs, with a focus on WFP's idiosyncratic sub-contracting arrangements. The second section discusses global standards applicable to food aid, identifies multiple breaches of these standards by aid providers in Georgia, and documents how existing standards failed to translate into substantive accountability. The third section explores in detail how a multitude of Georgian stakeholders tried and failed to oblige WFP and its INGO partners to meet their expectations. The conclusion argues that the providers of food aid did not manage the expectations of aid recipients because recipients' lack of power to punish or reward aid organizations freed the latter from the *obligation* to do so. The chapter closes with a discussion of how access to information, difficulties in pinpointing responsibility, and limited domestic demand and capacity undermined the ability of stakeholders to hold bulk food aid providers accountable for their actions.

Inedible Food Aid

- ### *What happened?*

Between August 2008 and 18 February 2009, WFP and four partner INGOs distributed a total of 4,830 tons of food to people in Georgia affected by the conflict with Russia (UNICEF/UNHCR/WFP 2009). The number of food aid recipients was highest in the immediate aftermath of the war, when over 100,000 Georgians – including most of the population of Gori – were internally displaced (WFP 2009c). In August 2008, WFP and its partners provided a total of 136,000 people with food rations. Target population numbers rapidly declined thereafter as Russian troops withdrew from the "Buffer Zone" and most families returned to their homes (WFP 2009c). By early 2009, WFP emergency food

aid was targeting three groups[237]: those displaced in 2008 who were still living in temporary accommodation, the population of the newly built "mushroom villages", and the residents of the rural "Buffer Zone", who had returned home but faced food shortages due to widespread looting and the missed harvest season. WFP attempted and largely achieved blanket coverage of all new IDPs, including those staying with relatives and those sheltering in remote areas.[238]

All recipients in Georgia received standardized food parcels. Around the world, WFP food packages contain the equivalent of around 2,100 kilocalories per day per beneficiary. According to WFP, in each country, packages are adjusted according to the availability and price of food and beneficiary preference. In Georgia, WFP's standard package was heavily based on wheat products.[239]

Standard WFP food ration in Georgia (per person per day)

Ration	grams
Wheat flour/pasta	450
Beans	50
Vegetable oil	30
Sugar	20
Salt	5

Source: WFP Georgia

In early 2009, WFP procured 1,800 tons of wheat flour from Turkey. While the flour complied with WFP procurement standards, it had a low gluten index. When Georgian recipients used the flour to bake with, the resulting bread turned rock hard and was for all practical purposes inedible (ACC 2009b, Bruckner and Entine 2010). In other words, the flour was theoretically fit for human consumption[240], but could not be used by Georgians to prepare food with.[241] Mixing this flour with other flour did not solve the problem. WFP together with its four partner INGOs continued distributing this flour, which they knew to be useless, for several weeks. In total, 800 metric tons of the flour costing over half a million dollars[242] were distributed to tens of thousands of people.[243] To put this figure into context, the 800 tons were the equivalent of about 20% of all tonnage distributed by WFP between the outbreak of the August 2008 war and the end of that year, and the equivalent of the flour content of 1.6 million individual daily rations. WFP never launched an additional distribution round to refill the gap it had left in people's food supply, nor did it issue an apology to aid recipients. This chapter will discuss the failure of a variety of stakeholders to hold WFP and its partners to account for the distribution of this low-gluten flour.

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[237] WFP also conducted non-emergency programming, including cash-for-work. This chapter focuses exclusively on emergency food aid.

[238] This included a small group of IDPs from the Kodori gorge in Abkhazia who had fled to remote Upper Svaneti in August 2008. When a member of TI Georgia's aid team visited this population in March 2009, it had received no humanitarian aid except for WFP parcels.

[239] Information received during interviews with WFP officials, Tbilisi, January-March 2009.

[240] A WFP staff member described the flour as "obviously fit for human consumption", and said that WFP could not exchange it for other flour. (Statement at Food Cluster meeting, Tbilisi, 12 March 2009.) Speaking days later, a different WFP staff member stated that "we've gotten an awful lot of feedback on [that] bad wheat", but added that "we can't simply take it back", and that "it's only one batch, we will be getting other batches". (Statement at UN Inter-Agency Coordination Meeting, Gori, 13 March 2009.)

[241] A senior WFP official reportedly told a journalist that the flour was not bad; rather, the problem was the way in which Georgians traditionally baked bread (conversation with freelance journalist researching a food aid story, Tbilisi, April 2009). An IDP told the author that since the flour could not be used to make bread, it was useless to her. She said that it was only good for feeding pigs, but then added that she did not own any pigs. (Conversation with IDP food aid recipient, mushroom village Akhalsopeli, March 2009.) Some IDPs reportedly threw food aid away. (Conversation with two ACC staff members, Tbilisi, April 2009; presentation on emergency relief to Georgia by Andrej Zwitter, Groningen University, in Tbilisi, May 2009.)

[242] This estimate is extrapolated from a flour purchase made by WFP in early 2008 (ref: NET2008-001HQ 01), in which WFP used a donor contribution of USD 695,500 to buy 858 tons of flour. As usual, WFP overheads and operating costs were deducted prior to purchasing the food.

[243] The fate of the remaining flour is unknown, as the author left Georgia in early summer 2009. WFP had been considering re-milling the remaining low-gluten flour.

- ***Who were the main aid providers?***

The main aid provider was WFP, the food aid arm of the United Nations system headquartered in Rome. WFP describes itself as "the world's largest humanitarian agency fighting hunger worldwide".[244] Founded in 1962, WFP provides food aid to up to 102 million people in several dozen countries around the world (WFP 2010). According to its mission statement, WFP strives to "meet refugee and other emergency food needs, and the associated logistics support", and "to improve the nutrition and quality of life of the most vulnerable people at critical times in their lives".[245]

To fund its operations, WFP relies overwhelmingly on institutional donors. Between the outbreak of the August 2008 conflict and February 2009, nearly 20 million dollars in food aid to Georgia were pledged by over 15 donors. The United States (USD 8.5 million) and the European Commission's Humanitarian Aid Office (ECHO; USD 4.3 million) together accounted for over half of donations.

Donor support for food aid in Georgia *(August 2008 to February 2009)*
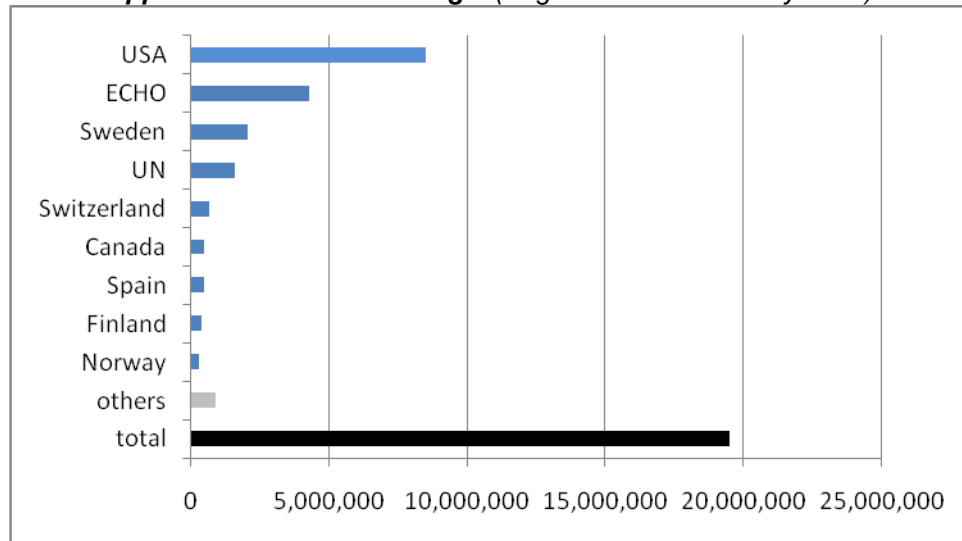
Source: WFP Georgia (all figures in USD)

Food aid is often perceived as an instrument through which rich countries dump their agricultural surplus production on poorer countries (Easterly and Pfutze 2008). In post-war Georgia, this was not the case. Nearly all pledges to WFP were in cash. The single exception was a donation of 1,550 metric tons of wheat, beans and oil by the US, valued at nearly two million dollars. As of February 2009, this in-kind contribution represented nearly one quarter of total American food aid pledged through WFP, but accounted for only around 10% of total food aid to Georgia. Reflecting the high profile of the conflict and overall high donor engagement in Georgia, donors funded nearly 100% of the food requirements identified by WFP. Nevertheless, there were occasional breaks in the food supply pipeline, in part because donor's disbursements sometimes arrived slower than expected. In late 2008, the UN warned that "[f]unding is urgently required to fill a gap in WFP's food pipeline for December distributions. Unless cash contributions are urgently confirmed, the pipeline may break" (OCHA 2009).

WFP handled international food procurement and storage and transport inside Georgia. Only a small share of food aid was distributed directly by WFP. Most of the distribution was handled by four INGOs headquartered in the US that had a long-standing presence on the ground in Georgia. Three of these – CARE, World Vision, and Save the Children – are global development and relief giants, and have

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[244] "Fighting hunger worldwide", WFP website, undated. Available at: http://www.wfp.org/about (acc. 17 Feb 2011)
[245] "Mission statement", WFP website, undated. Available at: http://www.wfp.org/about/mission-statement (acc. 17 Feb 2011)

long been leading nonprofit players inside Georgia.[246] The fourth, International Orthodox Christian Charities, is far smaller (IOCC 2010), but was well established within Georgia. All four organizations are headquartered in the US.

- *Which players had the power to reward or punish these aid providers?*

WFP is highly dependent on institutional donors. The biggest contributors to the programmes of WFP's country office in Georgia were the United States and the European Commission. These donors had the power to reward or punish WFP by increasing or decreasing their contributions to WFP operations worldwide, and/or to the WFP country office in Tbilisi.[247] In addition, the Georgian WFP country office was vertically accountable to WFP's global headquarters in Rome, where senior managers held the power to promote, reprimand or dismiss expatriate staff in the organization's country offices. Unless a host government itself becomes a donor to WFP – which was not the case in Georgia – there is no formal accountability from WFP to the governments of countries in which it works. In theory, the Georgian government could choose to reward WFP by donating funds to it, or punish it by expelling it from the country. Either course of action was highly unlikely.[248]

WFP-channelled food aid to Georgia in 2008-2009 presents an especially interesting case study of aid implementation because it only involves a comparatively limited amount of players with clearly defined roles.[249] In general, INGO-implemented aid to conflict-affected Georgians involved literally dozens of aid organizations implementing an untrackable patchwork of short-term projects funded by a badly coordinated motley of donors (Bruckner 2010a), with several UN bodies – which sometimes had overlapping mandates and competed for turf – sub-contracting individual NGOs for some tasks while directly implementing others. Food aid delivered through WFP presents a far simpler picture. All donors financing bulk food aid channelled their funds to one single destination, WFP, which in turn closely coordinated with only four INGOs to achieve blanket coverage of target populations. Thus, as of February 2009, only 15 donors supported bulk food aid[250], and only five players (including WFP itself) were involved in actual food parcel delivery. Thus, bulk food aid involved only one single standardized product, making meaningful quantification and comparison possible.

In contrast to the usual patchwork pattern of aid, WFP-channelled food aid thus had a clear organizational logic, best visualized as an hourglass: At the top, several donors poured resources into a funnel that converged on WFP, from which nexus resources were then directed further downwards to four sub-contractor INGOs in charge of food parcel distribution.[251] WFP has no core funding, and therefore finances its operations around the world exclusively by taking a share of each donation. Each donor contribution to WFP was subject to a 7% overhead that flowed directly back to WFP's head office in Rome. According to WFP, the remaining 93% of each contribution was used directly for project-related costs. In total, about 50% the budgeted amount for food aid was spent on administrative costs, targeting, warehousing, transport, delivery and monitoring.[252] Food for war-

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[246] Based on personal observations of the author in Georgia, 2002-2009. The exact turnover of individual INGO country offices is nearly impossible to gauge (see Bruckner 2004 and 2010c for a detailed discussion).
[247] When challenged by a local official to extend food aid for several additional months, a WFP representative answered that there was "no point planning for resources [that] we do not have". (Statement at UN Inter-Agency Coordination Meeting, Gori, 13 March 2009.)
[248] After the revolution, the Georgian government's "floodgates opened" for international aid, and the government signed off any aid initiative without detailed review (conversation with monitoring and evaluation expert working for INGO, Tbilisi, May 2009). The Ministry of Finance deliberately steered clear of monitoring donor aid delivered through NGOs as it wanted to avoid accusations of "meddling" in donor-NGO relationships (conversation with senior Ministry of Finance official who had regular contact with donors, Tbilisi, November 2008).
[249] The author conducted a series of interviews with several senior WFP officials in Georgia in early 2009. Unless otherwise indicated, the data in this section was provided by WFP representatives during these meetings.
[250] Many INGOs, including some not working with WFP, additionally distributed "supplementary food" such as fresh vegetables to limited numbers of beneficiaries. These activities were comparatively small-scale and followed the patchwork implementation pattern typical of INGO activities, with no attempts at blanket coverage.
[251] Direct WFP distribution is not discussed here for the sake of simplicity. For the same reason, the (limited) distribution of WFP parcels by ICRC is also not discussed here.
[252] WFP's projected budget for the two years 2007-2008 provides an impressionistic insight into the costs involved in providing food aid under non-relief conditions. (Due to the war of August 2008 and the subsequent radical change in scale and type of operations, these figures are obviously outdated, and are purely indicative.)

affected Georgians was procured internally via tenders managed by WFP headquarters in Rome; no food was procured locally. WFP's Tbilisi country office was responsible for storage, transportation and distribution inside Georgia.

WFP thus had a monopoly on food aid management inside Georgia, and occupied a gatekeeper position for INGOs wishing to secure distribution contracts.[253] On the positive side, WFP's central and exclusive role facilitated coordination, enabling it to avoid the turf wars, overlaps and service provision gaps characteristic of most international assistance. On the downside, as will be discussed below, WFP's monopoly gave it extraordinarily strong leverage over actual and aspiring partner INGOs, akin to that of a single donor with a monopoly over an entire sector of aid provision.

Unlike most institutional donors, WFP worldwide does not subcontract NGOs based on publicized requests for competitive proposals. Instead, WFP selects its partners through what it terms a "consultative system" (WFP 2009b). Following a needs assessment, WFP decides whether working through a partner would be appropriate in a given area. Through the UN Food Cluster that it chairs, it then invites interested partners to submit concept papers.[254] According to WFP, it then divides the work between applicants based on their capacity, experience and proposed budget, and finally signs an agreement with them. Partners' formal accountability to WFP is chiefly framed in terms of number of beneficiaries and tonnage as specified in their contracts. There is a maximum of 5% overhead costs that any cooperating partner can charge to WFP. The budget for the cooperating partners is included in the overall WFP budget for any operation (WFP 2009b).

WFP's system of subcontracting is remarkable as it differs from mainstream donor approaches in several ways. First, WFP can choose to implement directly or to work through subcontractors. Second, WFP communicates the request for concept papers informally, and to a limited circle of organizations (WFP 2009b). WFP's practice of recruiting through the Food Cluster considerably narrows the circle of possible implementers. Although food cluster meetings are open to all interested parties, local NGOs tend to be unaware of the system and do not participate,[255] and thereby are de facto unable to pursue WFP contracts. Third, decision-making on which contracts to award to whom is explicitly based on both qualitative and quantitative factors.[256] WFP staff members in Tbilisi plausibly argued that working through this informal system enabled the UN agency to build strong long-term "partnerships" (rather than short-term subcontractor relationships) with NGOs, thus avoiding the pathologies often found in NPM-style donor-NGO relations, notably their strong quantitative reporting bias. A senior WFP official gave a series of INGO-organized community consultations in "Buffer Zone" villages as an example of the advantages of WFP's approach. INGOs convened meetings to discuss and develop targeting criteria for food aid. As this type of activity is hard to monitor, and its quality cannot be adequately captured through quantitative indicators, working through trusted long-term partners gave WFP confidence that the process was well managed. Contracts take the form of a 'Field Level Agreement' between WFP and each individual NGO partner. FLAs are more flexible than conventional donor-NGO project contracts, allowing for the adjustment of quantities in line with shifting needs.

WFP's system of partnering gives the UN agency huge power over aspiring and actual partners. WFP internally decides whether to subcontract, can pre-select applicants, chooses partners according to

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WFP projected a total cost of USD 13.27 million, of which the expenditure for the 26,519 metric tons of food itself was USD 6.92 million.

[253] This sets WFP apart from other UN agencies. For example, UNHCR is the lead agency for IDP issues, but donors frequently bypass UNHCR in their IDP programming, awarding grants directly to NGOs. (Presentation by senior UNHCR official to NGO workshop on aid, Tbilisi, May 2009.)
A senior UNHCR official told the author that UNHCR and the MRA had only learnt about the new settlements six weeks after the decision was taken (conversation in Tbilisi, May 2009).
[254] Conversation with senior WFP official, Tbilisi, February 2009.
[255] This weakness of the cluster approach has long been recognized. See: "Lifting the lid on the UN's 'cluster' approach to disaster-preparedness", ActionAid website, 25 May 2006. Available at:
http://www.actionaid.org.uk/100411/lifting_the_lid_on_the_uns_cluster_approach_to_disaster_preparedness.html
(acc. 11 June 2010)
[256] According to a senior WFP official, the agency began emergency food distributions on August 9, 2008, less than 48 hours after the conflict started, leaving no time to issue competitive tenders for distribution (conversation in Tbilisi, February 2009).

not clearly defined criteria, and controls the extension of contracts (WFP 2009b). WFP's subcontracting system essentially recreates a classic patron-client dynamic in which the patron in theory – though not necessarily in practice (see Scott 1985) – wields virtually all the power, and numerous clients compete against each other to win the patron's favour and access to his resources. NGOs cannot effectively challenge WFP's decisions (see also below). WFP's monopoly on food aid also eliminates the ability of its clients to switch patrons.[257] Any NGO currently involved in food aid, or any NGO wishing to enter this market in the future, is effectively unable to publicly criticize WFP or blow the whistle[258] if things go wrong. With neither 'exit' nor 'voice' (Hirshman 1970) a feasible option, NGOs interested in food aid contracts face a black-and-white choice: either go along with WFP's approach ('loyalty') – or lose out.[259]

To sum up, WFP was accountable to institutional donors both on a country and a global level. WFP's Georgia country office was accountable to its headquarters in Rome and ultimately also to the Georgian government. The INGOs involved were also accountable to their respective headquarters and to their private donors overseas. In the field of bulk food aid, INGOs did not directly deal with institutional donors, so their accountability to these donors was effectively mediated through WFP, who they were directly accountable to. WFP's monopoly role and its approach to selecting and managing subcontractors gave the UN body great power to reward and punish INGOs in Georgia.

- ***What were the interests and expectations of these powerful players?***

The two largest institutional donors supporting food aid to Georgia, the US and the European Union, shared a strong interest in promoting domestic stability inside Georgia, an aim that they shared with the Georgian government. Donors and the host government also wanted to be seen to help conflict-affected Georgians, and to avoid negative publicity (see Chapter Two; also Bolton 2007 and Carothers 1999). WFP's global headquarters, which retained a percentage of each donor contribution, had a strong institutional interest in maximizing resource flows globally and, by extension, inside Georgia; the latter interest was shared by WFP's country office in Tbilisi. Faced with the imperative of institutional survival, the four INGOs involved had a strong interest in maintaining and expanding the share of food aid they distributed (Cooley and Ron 2002, Hulme and Edwards 1997). On a global level, this interest translated into their headquarters' need to maintain good relationships with WFP in Rome; inside Georgia, it made it indispensable for INGO country offices to establish and maintain good relationships with WFP in Tbilisi. Meanwhile, private donors to INGOs had an interest in having their money used effectively in the pursuit of the publicly stated missions of their charities of choice. War-affected Georgians' expectations towards food aid centred on the quantity and quality of food received, as will be discussed further below.

- ***What information on aid did stakeholders have?***

In Georgia, access to information about food aid varied greatly from one player to the next. WFP's Georgian country office had the greatest access to information on food aid. Its pivotal role put it into regular direct contact with donors, INGOs and some beneficiaries, making it the only player with a comprehensive picture of all other parties' food aid activities. WFP monitored the food supply chain top-down through a globally standardized tracking system, and received bottom-up information on the field activities of partner INGOs and its own staff from eight monitors based in Tbilisi, Gori and Poti, each of whom frequently interacted with individual food aid recipients. WFP regularly updated other stakeholders participating in the UN cluster system through regular publication of the minutes of the

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[257] NGOs' inability to switch between patrons distinguishes food aid from most other aid and development activities, where donors also exert significant power, but NGOs can diversify their funding sources and choose to break off (or not enter into) relationships with individual donors. Also, while conventional donors need to work with at least one NGO as an implementing partner, WFP has the full capacity to implement directly without any NGO participation.

[258] WFP has an ombudsman, but his terms of reference are limited to hearing complaints by implementing NGOs about financial disputes with WFP, and complaints must first have been addressed to WFP's country director (WFP 2005:68).

[259] This is reflected in WFPs' official publication "How to work with WFP: A Handbook for Non-Governmental Organizations": "Partners must share ownership of programmes as well as responsibility for programme/activity successes and failures including common approaches to the media and donors… Willingness to give up a certain amount of independence to pursue programmes together" (WFP 2005:50).

biweekly Food Cluster meetings. The minutes summarized past, present and future food sector activities, and were accessible through an English language website[260] devoted to aid coordination in Georgia. Institutional donors rarely attended cluster meetings and lacked monitors on the ground, and were therefore dependent on WFP for their information on food aid. WFP's reporting to its donors is not publicly available.[261]

WFP used its authorship of the minutes to ensure that the flour issue would not raise red flags in the wider aid community. WFP's original draft read as follows:

> "WFP mentioned the current wheat flour issue; while the quality and fitness for human consumption is good, there is an issue with the gluten index which results in poor performance when bread is baked. WFP is working on finding out more and on how to prevent this in the future. But since the flour is perfectly fit for human consumption, WFP is not planning to take back the distributed tonnages."[262]

When the draft minutes were circulated for pre-publication review and comments, a TI Georgia employee suggested the following addition, based on comments he had made at the meeting itself (but that were missing in the minutes): "Anecdotal reports from the field suggest that some IDPs are using the wheat flour as animal feed because they cannot use it to bake bread."[263] The final version of the Food Cluster meeting minutes, published by WFP four days later, only contained WFP's original statement, ensuring that stakeholders without alternative information sources remained in the dark about the severity of the problem.[264] However, WFP Georgia did inform its headquarters in Rome about the issue.

The four INGOs delivering food aid were closely coordinating with WFP and therefore had a good overview of food-related activities within Georgia, complemented by feedback from their own field staff. However, they were unable to examine their fellow INGOs' contracts ('Field Level Agreements') with WFP in Tbilisi, as WFP regarded these as confidential agreements between two parties.[265] Due to the opacity of these contracts (and of WFP Georgia's own overheads), NGOs not chosen as partners by WFP were unable to challenge WFP's contracting decisions by arguing that they would be able to provide the same quality services at a lower price. This lack of information weakened NGOs' power to oblige the UN agency to manage their expectations for contracts.

Private donors to WFP's partner organizations had very little information on these INGOs' activities in Georgia. This INGO monopoly over private donors' information is only broken in very rare cases when the media in a donor country report a 'scandal' involving a 'charity'. Private donors' expectations of effective aid thus create very strong pressure on INGOs to avoid negative publicity that may result in reduced charitable contributions, both for themselves and for the sector as a whole.

Conflict-affected Georgians had little information about food aid. People receiving food aid typically did not know which organization had provided the food, who had delivered it, when to expect the next delivery, or whether there would be a next delivery at all.[266] While the packaging of all WFP-channelled food aid prominently displayed the WFP logo, most rural Georgians are unable to read the Latin alphabet or distinguish between different UN agencies or aid providers in general.[267] In total, 93 local and international NGOs were working within the new settlements, creating a proliferation of logos.[268] Reflecting a common problem that subcontracting poses for accountability, the delivery of

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[260] The site was password-protected, but its managers granted passwords to any interested party upon request. It is still active: http://www.relief.migration.ge/intranet (acc. 21 Feb 2011)

[261] Conversation with senior WFP official, Tbilisi, February 2009.

[262] Draft Food Cluster meeting minutes written and circulated by WFP Georgia, dated 12 March 2009.

[263] Email by TI Georgia employee to WFP, 16 March 2009.

[264] WFP Georgia, "Food Cluster meeting minutes", dated 20 March 2009.

[265] Conversation with senior WFP official, Tbilisi, January 2009.

[266] For example, the author saw a sack of flour in a new IDP settlement that was clearly labelled "WFP", but the occupant thought it had come from the government. Field visit by the author to "Sanatorium 'Poladi'" settlement, Surami, 11 February 2009.

[267] In the words of a senior UN official, villagers often did not know the "originator of support". Comments made at the UN Food Security Cluster meeting, Tbilisi, 21 April 2009.

[268] Lecture by Professor Elizabeth Dunn, CIPDD, Tbilisi, 02 May 2009.

parcels by INGOs further impaired recipients' ability to determine who was responsible for the inedible flour they had been given. As managing stakeholders' expectations costs time and resources, WFP generally did not welcome beneficiaries' attempts to directly communicate their expectations to its Tbilisi headquarters.[269]

On one occasion, WFP actively manoeuvred to minimize its obligation to manage beneficiary expectations. In 2009, three UN agencies including WFP[270] issued plastic cash cards to IDPs to finance supplementary food purchases. In a press release, the UN agencies took full credit for the cash transfer programme, adding that "a special hotline is operating within the MRA [Ministry for Refugees and Accommodation] to address questions that may arise during the programme implementation… posters and leaflets were printed and disseminated among the beneficiaries to ensure full visibility and transparency of the programme".[271] The press release concluded with the contact details of all three UN agencies involved, but did not give contact details for the MRA. In contrast, the posters and leaflets subsequently distributed to beneficiaries prominently featured the logos of WFP and the other two agencies, but did not give any UN contact details. Instead, the only contact information provided to beneficiaries was that of the MRA telephone hotline, which WFP and the other two UN agencies at the time fully knew to be completely dysfunctional.[272] This move confused beneficiaries as to who was actually responsible – and thus could be held to account – for the programme. As a result, the frustrations of Georgians dissatisfied with the programme's implementation, or even of IDPs who merely had enquiries, were redirected away from those actually responsible and towards the MRA and the government.

This section has provided an overview of WFP-managed food aid to Georgia, and explored the links and power relationships between donors, WFP and NGOs. The following section discusses global standards applicable to food aid, identifies multiple breaches of these standards by aid providers in Georgia, and documents how existing standards failed to translate into substantive accountability.

Formal Accountability Standards and Food Aid

- ***How did formal accountability standards shape actions on the ground?***

Numerous global standards were applicable to the provision of food aid to conflict-affected Georgians by WFP and INGOs. The following paragraphs will discuss three standards that were developed by SPHERE, InterAction, and the Humanitarian Accountability Project (HAP) respectively. The discussion highlights instances in which these standards were arguably violated in Georgia during 2008-2009, and briefly sums up their monitoring, complaints and sanctioning mechanisms.

The SPHERE Project was launched in 1997 in order to improve the quality of assistance to people affected by disaster and to improve the accountability of states and humanitarian actors in the provision of relief. The project has developed a handbook (Sphere Project 2004) that sets out widely recognized minimum standards and key indicators for a variety of sectors, including food aid. Many SPHERE standards are quantitative and precisely defined. WFP was heavily involved in drafting the food standards section of the SPHERE handbook (WFP Executive Board 2004:6).[273] The SPHERE Project does not incorporate a complaints mechanism. During their operations in Georgia in 2008-2009, WFP and its four partner INGOs violated SPHERE standards relating to ration size, food quality, and communications with aid recipients.

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[269] Conversation with senior WFP official, Tbilisi, January 2009.

[270] The other agencies were UNICEF and UNHCR.

[271] "Three UN agencies launch joint cash assistance programme for displaced persons in Georgia", joint press release by UNICEF, UNHCR and WFP, Tbilisi, 18 February 2009. Available at: http://www.reliefweb.int/rw/rwb.nsf/db900SID/EGUA-7PKQY6?OpenDocument (acc. 10 May 2009)

[272] A TI Georgia staff member repeatedly tried to contact this hotline, without success. Subsequent discussions between TI Georgia staff and UNHCR confirmed that the UN had known that the hotline was dysfunctional when the materials were being printed. (Conversations with members of TI Georgia's aid team, February and March 2009.)

[273] "WFP has provided technical support since the inception of the Sphere Project, most recently in the development of the new food security and nutrition chapter. WFP's standard field-level agreement with implementing partners encourages adherence to the Sphere Humanitarian Charter and standards" (WFP Executive Board 2004:6, point 10).

Ration sizes in Georgia fell short of SPHERE standards. In line with the organization's global practice, WFP's parcels contained 2,100 kcals per person per day, exactly matching the minimum level established by SPHERE. However, the SPHERE manual states that food rations must be increased if "the mean ambient temperature is less than 20°C" (Sphere Project 2004:189-191). Average outdoor temperatures in Tbilisi usually drop below 20°C in mid-September, and typically remain below 5°C in December, January and February.[274] Mean ambient temperatures inside the hastily built mushroom village cottages and temporary IDP shelters were much lower than 20°C for much of the winter 2008-2009.[275] WFP and its partner INGOs distributed insufficient food rations to aid recipients for several months at least.[276] In one region, IDPs in every settlement visited by the Anti-Crisis Council complained that the volume of aid received was insufficient (ACC 2009a).

WFP's 800 tons of low-gluten flour also violated SPHERE standards. Distributing food commodities that are technically safe to eat, but that recipients in practice cannot use to prepare meals constitutes a clear breach of these standards. SPHERE states that:

> "The food items provided are appropriate and acceptable to recipients and can be used efficiently at the household level. (…) There are no complaints concerning difficulties in storing, preparing, cooking or consuming the food distributed. (…) There are no verifiable complaints about the quality of food distributed… recipients' complaints about food quality should be followed up promptly and handled in a transparent and fair manner." (Sphere Project 2004:157-163)

WFP followed up on recipient complaints about unmet expectations by flying in flour experts from its headquarters to explore the option of re-milling the flour. However, WFP's oblique phrasing of the issue in official meeting minutes and suppression of adverse data (see above) hardly constituted "transparent" handling of the matter. Most importantly, WFP and its partner INGOs continued to distribute the low-gluten flour for weeks after they first learnt of the problem.[277]

The third violation of SPHERE standards by food aid providers was related to their communications with aid recipients. Most recipients seemed unaware of which organization had provided the food and who had delivered it, when to expect the next delivery, or whether there would be a next delivery at all.[278] However, SPHERE mandates that:

> "People should be informed about the quantity and type of food rations to be distributed, and they should feel assured that the distribution process is fair and that they receive what has been promised. (…) Recipients are informed well in advance of the quality and quantity of the food ration and the distribution plan [day, time, location, frequency]. (…) Distributions should be scheduled at convenient times to minimise disruption to everyday activities." (Sphere Project 2004:162-178)

As members of InterAction, the four INGOs distributing food aid were additionally bound by the organization's PVO Standards (InterAction 2009). InterAction is a membership association of over 190 American NGOs engaged in international humanitarian efforts. InterAction reports that the Standards were developed by its member NGOs from 1989 onwards "in response to membership

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[274] "What is the Climate, Average Temperature/ Weather in Tbilisi, Georgia?", Climatetemp website, undated. Available at: http://www.climatetemp.info/georgia/ (acc. 03 Jan 2011)

[275] The author, his research assistant, and members of TI Georgia's aid monitoring team regularly visited IDP dwellings during this time period.

[276] WFP Georgia argued that regular cash transfers for the private purchase of supplementary food since February 2009 enabled Georgian food aid recipients to close the calorie gap (statement by WFP representative, Tbilisi, June 2009). However, WFP itself had earlier calculated that the GEL 25 in monthly cash would only translate into 107 additional calories per day (statement by WFP representative at Food Cluster meeting, Tbilisi, January 2009).

[277] Statement by WFP representative at UN Inter-Agency Coordination Meeting, Gori, 13 March 2009.

[278] Numerous interviews with IDPs in Tbilisi, Gori, and the "mushroom villages" by the author, his research a ssistant, and TI Georgia aid monitoring team members in early 2009.

demand" to "set standards of accountability".[279] WFP's four partner INGOs in Georgia arguably violated the following InterAction PVO Standards:

- "Members shall adhere to the professional standards in their field(s) of activity."
- "Materials provided shall be appropriate… and sensitive to the local culture and situation." (InterAction 2009)
- "The organization shall oppose and shall not be a willing party to wrongdoing… Ethics standards shall be maintained despite possible prevailing contrary practices elsewhere."
- "A member's fundamental concern shall be the well-being of those affected."

The Standards at the time also stipulated that "[m]embers involved in the provision of food aid shall be guided and informed by the 'Representative Food Aid Standards', promulgated by Food Aid Management" (InterAction 2009). In fact, these 'Representative Food Aid Standards' had never been developed in the first place.[280]

The Humanitarian Accountability Partnership (HAP) was created to "make humanitarian action accountable to its intended beneficiaries through self-regulation, compliance verification and quality assurance certification."[281] According to HAP, "humanitarian accountability involves taking account of, and accounting to disaster survivors".[282] Intended to guide all humanitarian actors, the HAP Standard (HAP 2007) aims to improve the accountability of organizations involved in relief by developing clear benchmarks and corresponding means of verification. Two of the INGOs distributing food in Georgia, CARE and World Vision, were full members of HAP (TIG 2009h:3) and were therefore bound by its accountability commitments, including HAP's "principles of humanitarian action". These include the "[d]uty of care: ensuring that humanitarian assistance meets or exceeds recognised minimum standards pertaining to the wellbeing of the intended beneficiaries" (HAP 2007:8). In Georgia during 2008-2009, neither INGO ensured that the rations it was distributing met minimum standards. In addition, the INGOs' public silence on the flour issue arguably violated HAP's 'witness' principle (HAP 2007:8) and similar transparency provisions set out in point nine of the NGO Code of Conduct (SCHR 1992; see also Chapter Four).

This section has documented how both WFP and its partner INGOs clearly violated SPHERE standards. In addition, the four INGOs involved (arguably) violated several standards developed by InterAction and HAP. This raises interesting questions about the accountability of international aid. Organizations prioritize managing the expectations of stakeholders with the ability to reward or punish them. In this context, could stakeholders use established standards to exert power over aid organizations by threatening or inflicting punishment on them for noncompliance? Did stakeholders have the *power to oblige* aid providers to favourably manage stakeholder expectations that were legitimized through established standards? In other words, were stakeholders able to hold the organizations involved accountable for their violations of SPHERE, InterAction and HAP standards?

In order to have teeth, standards must be backed by monitoring and sanctions. SPHERE is a voluntary initiative, and includes no monitoring or complaints mechanisms (TIG 2009h:4). In Georgia, this insulated WFP from accountability pressures linked to global aid standards because SPHERE standards were the only standards (discussed here[283]) that applied to WFP. As a United Nations

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[279] "Membership Standards", InterAction website, undated. Available at: http://www.interaction.org/membership-standards (acc. 05 April 2009)

[280] According to an InterAction staff member, "I have done some research, but have not been able to find the text for the Food Aid Standards by Food Aid Management… Interestingly enough, one of the source I found indicated that FAM closed it[s] doors in 2004… so I am not even sure if such standards were ever developed and adopted" (email in reply to information request by the author, 12 April 2009). During the following months, InterAction amended its PVO Standards. Today, they no longer refer to the nonexistent 'Representative Food Aid Standards'.

[281] "About us", HAP website, undated. Available at: http://www.hapinternational.org/about.aspx (acc. 02 May 2009)

[282] "HAP 2007 Standard", HAP website, undated. Available at: http://www.hapinternational.org/projects/standard/hap-standard.aspx (acc. 02 May 2009)

[283] An internet search will turn up literally dozens of aid standards, many seemingly forgotten as soon as they were drafted. Numerous other standards probably also had a bearing on food aid to Georgia. This chapter only

agency, WFP was neither a member of InterAction nor of HAP, putting it outside these organizations' purview. Meanwhile, the one set of global accountability standards that did directly apply to WFP – those developed by SPHERE – lacked complaints or enforcement mechanisms.

In contrast, InterAction's PVO Standards and the HAP Standard appear to have more teeth. In the case of InterAction, each applicant organization accepts responsibility for following the Standards – which are not legally binding – and each current member must biannually certify compliance with them by filling out a detailed assessment sheet. The Standards are managed and enforced by the Membership and Standards Committee of InterAction's Board of Directors. The same committee also receives and acts upon complaints about possible noncompliance (TIG 2009h:5). According to InterAction's website, noncompliance with its Standards can result in suspension of a member or denial of a membership application.[284] "Dismissal, however, will always be a last resort."[285] The HAP Standard was developed with the aspiration to guide all humanitarian actors, but its complaints mechanism only covers complaints about member organizations. When organizations choose to become HAP members, the HAP Standard becomes a "binding commitment" for them (TIG 2009h:3). HAP does not specify possible sanctions for violations; it merely states that "[i]f the agency's response [to a complaint] is unsatisfactory, the Committee may take further action against the member".[286]

Monitoring and sanctioning related to InterAction's and HAP's standards are therefore limited to INGOs that have voluntarily joined these organizations. In Georgia, all four INGOs distributing food were InterAction members, and two of them were also HAP members, making it possible for stakeholders to attempt to hold these organizations to account by working through two separate complaints structures. Both InterAction and HAP accept complaints from any interested party (TIG 2009h). In theory, this means that any stakeholder can file complaints through either structure. In practice, stakeholders can only complain if they have relevant language and internet skills, and knowledge of the standard(s) in the first place. It can safely be assumed that these hurdles excluded practically all bulk food aid recipients in Georgia, and over 99% of the Georgian population in general. Considering that awareness of aid standards is very low even amongst seasoned aid professionals (Hilhorst 2005), the only stakeholders in Georgia able to lodge complaints through either mechanism were a small minority of aid industry insiders who knew the standard(s) and had knowledge of food aid. As none of these insiders were food aid recipients themselves, they had no incentive to lodge a complaint against the four INGOs that were breaching standards. As a result, INGOs place little value on compliance with these standards. During an annual internal review of its operations, a HAP member organization in Georgia set the agenda for the mandatory HAP compliance session as follows:

> "1 hour. HAP compliance check – led by [facilitator]. Participants are to discuss how we can improve our compliance with [INGO's] operational principles based on performance reviews. Group work: How to improve our mechanisms for beneficiary feedback and participation / how to increase our compliance with [the] least possible effort ☺"[287]

This section has detailed the breach of several international aid standards by aid providers delivering food, and the failure of InterAction's and HAP's complaints mechanisms to make INGOs more accountable to potential or actual complainants. The following section discusses the failure of a variety of stakeholders inside Georgia to oblige WFP and its INGO partners to manage their expectations related to food aid.

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discusses three aid standards that are both (comparatively) well-known and appear highly relevant to bulk food aid programming.

[284] "Membership Standards", InterAction website, undated. Available at: http://www.interaction.org/membership-standards (acc. 05 April 2009)

[285] "Commonly Asked Questions about InterAction's PVO Standards", InterAction website, undated. Available at: http://www.interaction.org/sites/default/files/PVO%20Standards%20FAQ.pdf (acc. 05 April 2009)

[286] "Complaints Against Members", HAP website, undated. Available at: http://www.hapinternational.org/projects/complaints-handling/complaints-against-members.aspx (acc. 05 April 2009)

[287] Handout for participants in INGO annual review workshop, Tbilisi, May 2009; the 'smiley' was included in the original. A scholar specializing on emergency relief commented that "if you're about surviving, you don't care about accountability to beneficiaries" (presentation on emergency relief to Georgia by Andrej Zwitter, Groningen University, Tbilisi, May 2009).

Accountability Failure

- ***Which stakeholders were unable to hold aid providers accountable?***

Before discussing attempts by domestic stakeholders to hold food aid providers to account, it is useful to briefly highlight which stakeholders apparently did *not* communicate expectations related to food ration quantity and quality to WFP in the first place. Donors do not seem to have tried to hold WFP accountable for its misguided procurement of the low-gluten flour. There are several reasons for this. First, institutional donors may have been unaware that there was a problem in the first place. This certainly applied to smaller donors such as Luxembourg, which donated only 10,000 Euros for food aid[288] and did not even have an embassy in Tbilisi, let alone monitors on the ground. Second, if donors had been aware that there was a problem, connecting the 1,800 ton batch of low-gluten flour to any single donor's money would have been difficult because WFP headquarters pooled donor funds for WFP Georgia prior to issuing tenders. Third, as the flour was theoretically fit for human consumption and was reportedly procured following standard procedures, WFP may not have breached any formal contractual obligations towards donors. Fourth, donors have strong incentives to ignore aid failures. Any career-minded donor official dealing with food aid would have been well advised not to report the low gluten issue to her superiors.

Other UN agencies also appear not to have communicated expectations about food quality to WFP, even though UNHCR (see below) and some other UN agencies knew that there was a problem.[289] Within the often disharmonious UN system, food aid was WFP's responsibility, and not that of its sister agencies, who were in any case busy managing their own post-conflict responses. WFP's partner INGOs willingly participated in distributing the flour, and had no incentive to blow the whistle on their powerful patron. Most other INGOs operating in Georgia had no knowledge of the low-gluten flour issue. Private donors to INGOs in wealthy countries also remained ignorant of the problem with the flour. To sum up, in 2009 no international stakeholder seems to have generated any expectations towards WFP regarding the low-gluten flour.

Several domestic stakeholders did formulate expectations regarding bulk food aid. The following paragraphs discuss the expectations communicated by a Georgian political opposition party, the Anti-Crisis Council, and aid recipients. The section closes with a discussion of why the media and Georgian 'civil society' largely failed to aggregate and/or communicate aid recipients' expectations regarding food aid.

The low-gluten flour first gained media attention in Georgia on March 2, 2009, when members of the opposition Labor Party conducted a self-styled 'monitoring visit' to the Adjacent Area. At a press conference briefly covered by a large nationwide pro-government TV channel, Paata Jibladze, Executive Secretary of the populist party, strongly criticized aid efforts, blaming the government for a variety of problems, including that of the useless flour:

> "Labor Party of Georgia accuses the government of misappropriating the funds allocated for assisting the internally displaced people… the only product they got was bread and the flour of low quality. At the briefing held in their head office today the Labor Party members demanded resignation of the president."[290]

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[288] "Donor mapping - breakdown", Ministry of Finance of Georgia website, no date. Available at: http://www.mof.ge/en/4386 (acc. 10 Jan 2010)

[289] The issue was discussed at a UN Inter-Agency Coordination Meeting in Gori (13 March 2009), which was attended by the representatives of several UN agencies.

[290] "Labor Party voices new allegations against government", Rustavi 2 news broadcast, 02 March 2009, screened at 16:01pm. The original broadcast is archived online: http://rustavi2.com/news/news_textg.php?id_news=30468&pg=1&im=main&ct=1&wth (acc. 03 Jan 2011) It appears that at one point, a member of the parliamentary opposition, Gia Tsagareishvili, claimed on an unspecified television channel that 'the government' was trying to "poison" IDPs with "rotten flour". (Recalled by Georgian-speaking country director of INGO during conversation in Tbilisi, May 2009.) The author did not manage to locate a copy or transcript of the broadcast.

A few days later, the Georgian Anti-Crisis Council (ACC) also raised the issue. The ACC had first been proposed by President Saakashvili in late August to bring together politicians from all parties with civil society representatives and aid beneficiaries in a forum that would "control the income of aid and its distribution". The original idea was to have multiple councils, including several in the conflict-affected areas.[291] However, only one ACC was eventually created. Based in Tbilisi and headed by a member of the parliamentary opposition,[292] the ACC quickly evolved into a public platform used by moderate opposition figures to publicly score political points against the government on a variety of issues, most of which were not related to international aid.[293]

During visits to IDP settlements in Shida Kartli region in early March, ACC staff members had received complaints about the flour "in all settlements",[294] and subsequently reported that:

> "IDPs have complaints about the poor quality of the recent batch of wheat flour, which is useless. They demand improvement to food ration (dairy products and meat) and food cards." (ACC 2009b)

The ACC shortly afterwards summoned the Minister for Refugees and Accommodation for a televised questioning. According to council staff, they were aware that the ministry had not actually distributed the flour – about which they had been receiving numerous complaints from IDPs – but that they were trying to hold the minister accountable on the basis that his ministry had signed a memorandum of understanding[295] with UNHCR in which the ministry accepted responsibility for coordinating aid efforts to IDPs.[296] (However, during the same conversation, an ACC representative also said that the UN "and the NGOs" were responsible.) During the hearing, the minister denied culpability, saying that the flour had been distributed by the United Nations, not by his ministry.[297] The Anti-Crisis Council then wrote a letter to UNHCR:

> "Herewith, I would like to inform you that during the monitoring process conducted by the experts of Anti-crisis Council of Georgia in current month (March 7), part of IDPs voiced their complaints regarding low quality of the last lot of flour distributed under your aegis… we deem it important to find out the reasons and take measures in order to avoid repetition of such cases." (ACC 2009c)

UNHCR never answered this letter,[298] possibly because it did not regard itself answerable for WFP's activities. The ACC then pushed the MRA to launch an investigation, also to no avail.

Domestic political players thereafter seem to have abandoned their attempts to hold those responsible for the low-gluten flour to account. Remarkably, the Labor Party, the Georgian media, and the ACC all seem to have failed to identify WFP as the party responsible for the flour.[299] The Labor Party – in a statement broadcast on television without further commentary or analysis – blamed the government, while the ACC communicated its expectations towards UNHCR instead of towards WFP. The Ministry of Finance, which had far higher capacity and routinely interacted with international donors, did not raise the issue either. Through its Revenue Service's tracking of customs clearances

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[291] "Saakashvili Proposes Anti-Crisis Group to Opposition", Civil Georgia, 30 August 2009
[292] "Anti-Crisis Council Chair Selected", Civil Georgia, 18 September 2008
[293] Conversation with ACC Secretary-General and staff members, Tbilisi, April 2009. ACC representatives listed five successes of the ACC; none of these was directly related to international aid or IDPs. See also TIG 2008e.
[294] An ACC representative called the flour "everybody's problem", and spoke of "really bad bread" (conversation in Tbilisi, April 2009).
[295] The author did not see a copy of this MoU. However, UNHCR officials in Tbilisi verbally confirmed its existence.
[296] The ACC reportedly discussed the possibility of prosecuting the MRA for the flour distribution under civil law (conversation with 'Expert' working for the ACC, Tbilisi, April 2009).
[297] Conversation with ACC Secretary-General and staff members, Tbilisi, April 2009; separate conversation with two ACC staff members, Tbilisi, April 2009.
[298] Conversation with ACC Secretary-General and staff members, Tbilisi, April 2009.
[299] Not one of the (very few) ensuing Georgian media reports on the useless flour reviewed by the author mentions WFP. A representative of the ACC alleged that the Labor Party had known that the food had been distributed by the UN and not by the government, implying that the party had intentionally misled voters to further its own political agenda of forcing the president to resign (conversation in Tbilisi, April 2009).

(TIG 2008d:6), the ministry had quantitative data on flour import quantities, but saw the quality control of humanitarian goods as lying outside its mandate.[300] Meanwhile, WFP remained silent, apparently hoping that the affair would quickly blow over, which it did.

Conflict-affected Georgians had little information about food aid, and also did not realize that WFP was responsible for supplying them with the useless flour.[301] For "mushroom village" inhabitants, pinpointing responsibility was especially difficult because when they had moved into their new houses months earlier, they had found a large "welcoming package" of food provided directly by the government, without the involvement of WFP (WFP 2009a).[302] Unsurprisingly, they proved unable to hold aid providers to account.[303]

None of the IDPs interviewed by TI Georgia aid monitoring team members reported suffering hunger as a result of the food gap left by the low-gluten flour, but in order to fill the food gap for a period of several weeks, people had to draw on their own resources or borrow money. The reported statement about the "poison" plot did not seem to find any resonance with IDPs, and apparently did not create any anxiety.[304]

Conclusion

The empirical data on bulk food aid to Georgia supports the central hypothesis of this thesis, namely that accountability relationships in international aid to Georgia reflected power relationships. Chapter Four showed that organizations give priority to managing the expectations of those stakeholders who have greater power to punish or reward them. The present chapter showed that WFP and four partner INGOs were not *obliged* to manage the expectations of various Georgian stakeholders, including those of individual aid recipients, because all of these stakeholders lacked the power to punish aid providers for their actions. In consequence, aid providers were free to continue delivering food rations that were not only perceived as unsatisfactory by recipients, but also violated several global standards governing international aid.

The two preceding chapters flagged four cross-cutting hurdles to making aid accountable to a broader range of stakeholders, especially within aid recipient countries: access to information, difficulties in pinpointing responsibility, limited demand, and limited capacity. The following paragraphs will examine how these hurdles affected the accountability of bulk food aid providers in Georgia.

This thesis has repeatedly identified access to information as a necessary, though not sufficient, precondition for accountability. Access to information influenced the accountability relationships surrounding bulk food aid in multiple ways. WFP was the only player with a comprehensive picture of all other parties' food aid activities. WFP's practice of not openly tendering food distribution contracts effectively excluded LNGOs from submitting bids, and the opacity of WFP's financial arrangements with partner NGOs protected its contracting decisions from challenges by excluded NGOs, giving WFP huge power over actual and aspiring food distribution partners. By only selectively sharing information on the flour problem, WFP may also have managed to keep its donors and other aid

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[300] Conversation with senior Ministry of Finance official, Tbilisi, November 2008.

[301] For example, one IDP food aid recipient could not name the organization that had delivered the food, even though the sack of low-gluten flour in her house was clearly marked with the WFP logo. She said that she did not know whom she could complain to about this food. (Conversation with IDP food aid recipient, mushroom village Akhalsopeli, March 2009.) The fact that the sack in question was additionally emblazoned with the legend "gift of Romania" illustrates how responsibility for aid is often ambiguous and blurred even for those with knowledge of the aid system.

[302] The welcome packages provided by the government reportedly varied in size from one settlement to the next. Conversation with senior WFP official, Tbilisi, February 2009.

[303] Georgian aid recipients' inability to identify aid providers was not limited to food aid. The author was told by a villager that his local school had been repaired by an "American", when in fact it had been repaired by a local initiative group (conversation with local resident in Samegrelo village, 2003). When an IDP centre near Zugdidi got a new bathhouse, residents explained that "Misha [Saakashvili] made it", even though the president had never been there (conversation with expatriate researcher resident in Samegrelo, Zugdidi, April 2009).

[304] Between February and May 2009, the anthropologists working with TI Georgia's aid monitoring team regularly raised the issue of food rations with IDPs in the mushroom villages, and shared their findings and observations during the weekly team meetings.

providers in the dark. WFP was not obliged to manage any expectations by international stakeholders regarding the low-gluten flour because it restricted access to information on the matter; fellow aid providers not directly involved in food distribution did not realize that there was an issue in the first place, and consequently never generated any expectations related to the flour.

WFP clearly bore the main responsibility for the inadequacy of rations during the winter of 2008-2009 and for the procurement and distribution of the low-gluten flour batch. Nevertheless, a number of Georgian stakeholders failed to ascertain this fact. WFP's four partner INGOs shared some of the responsibility for the shortcomings of the aid that passed through their hands: rather than blowing the whistle on their UN patron, they silently continued their distributions. However, who *within* WFP was responsible for the low-gluten procurement glitch is unclear. Procurement reportedly followed established procedures, suggesting that the fault lay not with the individual official in Rome who took the decision, but with the WFP officials who had originally developed the procurement criteria. WFP's headquarters was clearly aware of the problems in Georgia, raising the question of whether the decisions to continue with the distribution and not to compensate recipients for shortfalls through additional flour distribution rounds were taken in Tbilisi or Rome.

The empirical part of this thesis has repeatedly flagged Georgian stakeholders' apparent lack of interest in holding aid providers to account (see also Bruckner 2010d). Chapter Four noted that publication of the JNA failed to spark domestic debate about the use of aid resources, and Chapter Five discussed the muted domestic response to the "mushroom village" programme. In the case of the low-gluten flour, Georgian stakeholders' failure to effectively communicate expectations towards aid providers is even more striking for four reasons. First, the issue at stake – flour that could not be baked into bread – was immediately verifiable and easy to understand, and formulating expectations for an alternative course of action – distribution of usable flour – was simple. Second, the flour rations directly affected tens of thousands of citizens, including displaced persons in the capital and throughout the regions. While the problems with the "mushroom villages" only became apparent after allocated funds had been spent, construction had been completed and people had moved in, the distribution of low-gluten flour continued over several weeks. Thus, aid recipients would have had a lot to gain personally from obliging WFP to manage their expectations for edible food in the early days of distribution. Third, aid recipients did communicate their expectations to a wide range of intermediaries, including aid agency staff and political representatives, and there was some domestic media coverage, so knowledge of the problem was quite widespread, at least among potential Georgian stakeholders. Fourth, WFP was comparatively easily identifiable as the organization responsible for the low-gluten flour.

The failure of the Georgian media to effectively play a watchdog function in food aid is remarkable. A widely cited theory links access to food with media coverage, positing that famines do not occur in countries with a relatively free media as early reports on starvation galvanize policy-makers into remedial action (Sen 1982). In Georgia, few if any IDPs suffered from hunger as a result of WFP's low-gluten flour, reducing the news value of the issue, especially during a national political crisis. Even so, the puzzle of why the media failed to substantively cover the flour story requires further explanation. The television and print coverage reviewed by the author is strictly limited to reporting on the Labor Party press conference and the ACC's questioning of the MRA minister. No journalist seems to have attempted independent verification of the claims, interviewed aid recipients, or followed up on further developments. Not a single story identified WFP as the responsible party. Three factors explain this weak coverage. First, the Georgian media – with the arguable exception of some TV channels – has few resources and very weak capacity, and tends to focus on covering easily reported 'official' events in the capital rather than independently developing stories.[305] Second, the media was subject to considerable government pressure not to cover IDP issues in a negative light.[306] (Media coverage of Labor Party criticisms actually served the government's interests, as the party is widely derided as low-brow loony-populist by educated Georgians;[307] therefore, presenting Labor as the voice of the domestic opposition tarnished the whole opposition's reputation with the

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[305] In addition, the Georgian media does not have a tradition of fact-based deliberation; issues are usually presented in a conflictual, pro-or-contra style. (Conversation with Georgian political scientist, Tbilisi, April 2009.)
[306] This issue has already been discussed at greater length in Chapter Five.
[307] For example, in a conversation with the author, a Georgian political scientist described the Labor party as "really stupid" (Tbilisi, April 2009).

brush of stupidity.[308]) The third and most important factor explanation for the limited media coverage was audience disinterest in IDP-related issues. In the immediate aftermath of the traumatic 2008 war, which had brought memories of the even more traumatic 1990s back to the surface, most Georgians had had enough of depressing news. The IDP issue was "very emotional", and most people simply wanted to "forget".[309] Meanwhile, journalists felt it was their "patriotic duty" to "keep morale up".[310] In any case, reporters were more interested in covering political issues; a roundtable on IDP issues convened for Georgian journalists failed to draw a single participant.[311]

This thesis has identified the limited capacity of Georgian stakeholders as a major hurdle to effectively calling aid providers to account. While capacity constraints were only a contributing factor to the Georgian media's failure to communicate IDPs' expectations regarding food aid, such constraints were clearly the main reason why the Anti-Crisis Council failed to hold WFP to account. ACC staff consistently failed to identify WFP as the party responsible for bulk food aid even though this information was readily accessible and all sacks of low-gluten flour were embossed with the WFP logo. Instead, the ACC first summoned a minister whose responsibility for the affair was tangential at best, then communicated its expectations to the wrong UN agency (UNHCR), and finally failed to effectively follow up on the matter. While the ACC's political leadership included some prominent figures from the 'moderate' opposition, its permanent administrative staff – which did the day-to-day work – was distinctly second-rate. English was the working language at most aid-related meetings (including UN food cluster meetings), and much of the documentation produced by aid providers (including food cluster meeting minutes, updates and reports), was only available in English. Aid providers heavily relied on the internet to communicate and coordinate with each other.[312]

Seven out of eight ACC staff members did not speak any English and shared a room that contained no computers and only one landline telephone (the ACC's official 'hotline'). Staff members appeared capable of interacting with domestic stakeholders and organizations, and had visited numerous IDP settlements and reviewed letters from conflict-affected people dissatisfied with aid efforts.[313] However, after having elicited aid recipients' expectations, the ACC was incapable of taking the follow-on step of communicating these expectations to the international aid providers responsible. Even if the ACC had been more capable, it is questionable to what degree a host country body with no power to punish or reward aid providers could have *obliged* foreign actors to manage recipients' expectations. In fact, the ACC's low human capacity and lack of hardware suggests that the government was never serious about creating an effective independent body to increase the accountability of aid to a wider range of domestic stakeholders in the first place.

As noted above, WFP's standard rations routinely fell short of the minimum calorific requirements set out by SPHERE. However, to the best of the author's knowledge, not a single Georgian stakeholder noticed this. IDPs routinely complained that the food rations they received were insufficient[314], but WFP escaped the obligation to manage their expectations for more food by explaining that all its beneficiaries worldwide got the same standardized amount of food, thereby delegitimizing Georgian IDPs' complaints as unfounded. In this context, knowledge of SPHERE standards would have been useful to stakeholders advocating for larger rations, as they could have legitimized their expectations by referring to a widely accepted set of standards that clearly spelled out aid providers' obligation to increase rations when temperatures were low. Stakeholders' limited capacity prevented them from

[308] Conversation with former head of INGO working with political parties, Tbilisi, 2004.

[309] Conversation with IDP expert working for a local think-tank, Tbilisi, April 2009.

[310] Conversation with freelance journalist with extensive contacts in the Georgian media, Tbilisi, February 2009.

[311] Conversation with head of NGO involved in training journalists, Tbilisi, February 2009.

[312] A crucial platform for communication between aid providers was the website http://relief.migration.ge/. The ACC was neither aware of this website, nor of the regular UN Cluster Meetings (conversation with 'Expert' working for ACC, Tbilisi, April 2009).

[313] Visit by author to ACC office and conversation with ACC Secretary-General and staff members, Tbilisi, April 2009.

[314] According to an ACC staff member, the "daily rations are more like one meal" (conversation with two ACC staff members, Tbilisi, April 2009). The head of a new IDP settlement reported that monthly food rations only lasted recipients for two weeks (conversation in Khashuri, February 2009). In order to attract more aid, some IDPs reportedly hid food when aid workers arrived (observation relayed by TI Georgia aid team volunteer at team meeting, Tbilisi, February 2009).

establishing the legitimacy of their expectations, and thus directly undermined their prospects of holding aid providers to account.

In sum, bulk food aid providers in Georgia did not manage the expectations of aid recipients because they were not *obliged* to do so. Even if motivational and capacity hurdles had been overcome, individual recipients and their immediate political and administrative representatives lacked the power to reward and punish WFP and its partner INGOs, leaving aid providers free to ignore the expectations of food aid recipients. Restricted access to information and difficulties in pinpointing responsibility additionally undermined the ability of stakeholders to hold bulk food aid providers accountable for their actions.

Chapter Seven: Conclusion

This thesis has explored accountability in international aid to the Republic of Georgia in 2008-2009, arguing that accountability relationships in international aid reflect power relationships. The final chapter rounds off the thesis by revisiting theoretical debates about accountability and international aid in light of the empirical evidence from Georgia, concluding that the aid system is characterized by phantom accountability: elaborate accountability safeguards on paper serve as a smokescreen to conceal the aid industry's lack of substantive accountability to external stakeholders, notably the poor.

Accountability and Power in International Aid

This thesis has defined accountability as "the obligation to manage the diverse expectations within and outside the organization". The central hypothesis of this thesis is that accountability relationships in international aid reflect power relationships. The empirical data from Georgia supports this hypothesis. Organizations give priority to managing the expectations of those stakeholders who have greater power to punish or reward them. Power is also reflected in the extent to which stakeholders can compel organizations to meet their expectations. In addition, stakeholders and organizations are engaged in ongoing power struggles to define what kinds of accountability demands by which stakeholders are legitimate and therefore entail an obligation to respond.

The concept of accountability is meaningless without power. An organization cannot be accountable towards stakeholders that are powerless to reward and/or punish it, either directly or through intermediaries. The organization may *choose* to render account, at a time and in a manner of its own choice, but it is under no *obligation* to do so. The North Korean government at times may choose to explain some of its actions to its population, or may at times choose to listen to popular expectations and even act accordingly; this alone does not constitute accountability. An organization may choose listen to powerless stakeholders' concerns, it may choose to explain its actions to them, and it may even choose to meet their expectations – but it will never be obliged by them to do so. In such contexts, an organization can be said to be more or less *responsive* to such stakeholders, but it will never be accountable to them.

Confronted with often conflicting expectations by a wide range of stakeholders, aid providers in Georgia consistently prioritized managing the expectations of players with greater power to punish or reward them. For example, the US-led emergency 'relief' operation of August 2008 was confronted with two sets of expectations. On one side, the executive branches of the US and Georgian governments expected the operation to achieve geopolitical and military goals. On the other side, USAID, INGOs and individual aid 'beneficiaries' expected the operation to prioritize meeting the needs of conflict-affected Georgians and (in the case of aid organizations) to preserve the neutrality of humanitarian space. These two sets of expectations were largely mutually exclusive. The operation could halt the Russian advance at the price of compromising neutrality, or be faithful to humanitarian principles at the price of failing to manage geopolitical expectations. Equally, it could be geared towards effectively and efficiently meeting humanitarian needs, or geared towards effectively and efficiently putting soldiers on the ground. In the ensuing clash between two stakeholder coalitions with diametrically opposed expectations, the stakeholder coalition with the greater power to punish or reward aid providers consistently prevailed. The final outcome of this accountability tug-of-war between rival stakeholders was the "military-humanitarian operation" of August 2008 (see Chapter Four), which only managed humanitarian expectations if these did not compromise overriding political goals. The biggest losers in this accountability tug-of-war were conflict-affected Georgians. As they lacked the *power to oblige* aid providers to manage their expectations for decent food, they had to be content with military rations that were both unpalatable and represented bad value for money.

Subsequent aid programming also prioritized managing the expectations of contextually more powerful stakeholders, often at the price of ignoring the expectations of the less powerful. Because critics of the Georgian regime and ordinary citizens lacked the power to punish or reward donors, the USD 4.5 billion donor aid package did not manage their expectations (see Chapter Four). Lack of aid recipient power over aid providers also freed the United Nations and its INGO partners from having to manage these stakeholders' expectations for adequate food. As a result, aid providers provided conflict-affected Georgians with rations that were insufficient and in some cases inedible without

having to fear being called to account over their actions (see Chapter Six).

Power clearly influences which stakeholders' expectations organizations prioritize managing. In addition, power influences the extent to which expectations are met, rather than only managed. At the low end of the scale, managing an expectation may involve as little as issuing a press release to explain a course of action and address concerns, without making any changes in an organizations' actual operations. At the high end, managing expectations means meeting expectations by adjusting operations in line with stakeholders' demands. The case of inedible food aid to Georgia is especially illuminating in this regard. WFP and its partner INGOs not only failed to meet aid recipients' expectations of edible food, but also chose not to manage these in any way (see Chapter Six). For example, WFP never publicly explained why it had chosen to distribute relief items of dubious utility, or issued an apology. This indicates that WFP saw no obligation to manage such expectations. The UN agency's assessment of the accountability landscape in Georgia was correct: aid recipients completely lacked the *power to oblige* WFP to manage – let alone meet – their expectations. Therefore, when WFP failed to manage these expectations, it suffered no adverse consequences, even though its actions violated global aid standards and accepted best practices in the field. Conflict-affected Georgians lacked the power to reward or punish the aid provider. People were individually powerless to bring a giant international organization to heel, and collectively unable to mobilize and aggregate their demands. Perhaps more surprisingly, the domestic actors – the Labor party, the Anti-Crisis Council, and the media – who in theory could have acted on citizens' behalf failed to effectively fulfil their role as intermediaries, and in final analysis also lacked the *power to oblige* WFP to change its course of action.

Power relationships also influence what kind of accountability demands by which stakeholders are considered legitimate, and therefore entail an organizational obligation to manage such expectations. During the development of the IDP Action Plan (see Chapter Five), the Georgian government unilaterally determined that foreign donors and NGOs did not constitute legitimate stakeholders, and that it therefore was under no obligation to manage their expectations. This reflected the fact that donors and NGOs – at that time and on that issue – had very little power vis-à-vis the government. Indeed, these stakeholders' power was evidently so limited that they could not even *oblige* the government to include them in the drafting process and listen to their expectations, let alone *oblige* it to manage or meet them. True, they could plead with the Georgian government to consult them and be *responsive* to their concerns, but as they lacked the *power to oblige*, they could not hold it to account. Seen through the lens of the theoretical framework presented in this thesis (see Chapter Two), the government's decision to exclude these powerless stakeholders was merely a formalization of de facto power relationships on the ground. As donors and NGOs lacked the power to reward and punish the government, the Georgian authorities were not accountable to them anyway (see also above), and apparently decided to save time and energy by not pretending otherwise.

Stakeholder legitimacy was closely linked to stakeholder power. After the August 2008 war, when donor power vis-à-vis the government was at an all-time high, donors suddenly re-emerged as substantive stakeholders in IDP policy. Indeed, at the time donor power was such that during the JNA drafting process (see Chapter Four), nobody in Georgia even seemed to have questioned whether foreign government agencies were legitimately entitled to have a major voice in deliberations about the future of the country's internally displaced population. However, a stakeholder does not necessarily have to be powerful to be recognized as legitimate. During the development of the IDP State Strategy, NGOs sat at the table as legitimate stakeholders (see Chapter Five) even though they had no power over either the government or over donors. It appears that donors brought NGOs to the table as part of a coalition-forming exercise. As donor and NGO expectations regarding IDP choice and participation were aligned, donors included NGOs in the talks to amplify the volume of their own expectations. In this case, legitimacy was not asserted bottom-up by powerful stakeholders themselves, but was instead conferred top-down by an already powerful stakeholder coalition eager to add extra players to its own side in its ongoing accountability tug-of-war against a government reluctant to meet donors' expectations. While NGOs in this case were not powerful in and of themselves, power was necessary to legitimate them as stakeholders in IDP policy.

The theoretical part of this thesis argued that controlling, restricting or manipulating access to information is a key tool employed by organizations that wish to escape the obligation to manage external expectations opposed to their own interests. Organizations can withhold information so that

stakeholders cannot precisely formulate salient demands, or cannot verify the extent to which their demands are being met. Therefore, access to information is a necessary (though not sufficient) precondition for accountability (see Chapter Two). Observers of international aid have noted that both donors (Bolton 2007, Bruckner 2004, Bruckner 2010e) and NGOs (Bruckner 2004, Bruckner 2010c) frequently manipulate information flows to their own advantage, in particular to conceal corruption (TI 2006) and failures in aid programming.

The empirical data from Georgia unequivocally supports the contention that aid providers regularly manipulate information for their benefit, in particular to reduce their accountability towards (potentially) critical stakeholder groups both at home and abroad. This reduces the power of stakeholders – especially those left outside 'the loop', which are more likely to be critical – over aid providers; as a consequence, aid providers' latitude for action is less constrained. Chapter Four documented how US government sources deliberately mislead outsiders during Operation Assured Delivery, claiming that USAID was in charge of the overall 'relief' operation in order to camouflage the leading role of the Department of Defense (see also InterAction 2008). At the same time, at least one INGO involved in the operation manipulated information flows to conceal its involvement in distributing military rations from its private supporters abroad. The last-minute and only partial release of the 'edited' JNA (UN/WB 2008b) as a *fait accompli* ensured that donors and the Georgian government were not subject to any obligation to manage outsiders' expectations regarding the aims and composition of the post-war recovery aid package. Holding the Brussels donor conference behind closed doors ensured that donors only had to manage the expectations of those stakeholders that they themselves had invited. Information released after the conference by the World Bank not only concealed which donor had pledged aid for what purpose, but also the very identities of some Middle Eastern donors.

Donors also withheld information on their financing of the 'mushroom villages' built for IDPs in late 2008 (see Chapter Five). By concealing who had financed which 'cottages', the European Commission and the World Bank made it impossible for stakeholders to trace individual aid failures back to their individual assistance portfolios, thereby escaping accountability for their performance. Meanwhile, UNHCR denied advance knowledge of the overall plan, insulating it from charges of (active or passive) complicity in the venture. In this case, it appears that donors, the UN, and the Georgian government all colluded in order to make the programme as unaccountable as possible to outside stakeholders. In particular, they managed to conceal which party was responsible for the arguably greatest flaw of the programme, the original design of the 'cottages'. While design faults probably wasted millions of aid dollars, lack of information ensures that no outside stakeholder will ever be able to call the party (or parties) responsible to account. Equally, WFP and its INGO partners managed to escape punishment for their distribution of inedible food in part because of WFP's careful manipulation of information, as a result of which other aid industry actors – probably including some or all of WFP's donors – remained in the dark (see Chapter Six).

In each of these cases, the pivotal actors – the Department of Defense, the World Bank and European Commission, and WFP – manipulated information to increase their own power vis-à-vis stakeholders. Stakeholders were disempowered because they could not formulate salient demands and/or verify the extent to which demands are being met. While aid providers do release a huge amount of information on their activities, the resulting mountain of carefully pre-selected and edited paperwork serves more to conceal than to reveal. Thus, the fact that the JNA (UN/WB 2008a) ran to several hundred pages facilitated the concealment of the planned "mushroom villages" by turning the few references to the relocation plan to mere drops in the surrounding sea of ink. Equally, desk-based observers – a group that includes most, if not all, donor officials – may have concluded that WFP's provision of reams of data on food aid distribution indicated high levels of transparency, when in fact the reverse was the case: the sheer volume of documentation turned WFP's single (and heavily veiled) reference to the fact that much of this aid was inedible into a needle in a haystack. Therefore, aid providers' frequent public commitments to total transparency are disingenuous. Mountains of carefully selected and edited data omit any information that stakeholders could use to detect aid failures or generate unwelcome expectations, while at the same time shielding the aid industry from charges of opacity. The result is not transparency, but phantom transparency: the provision of large quantities of pre-screened data to hide the fact that some critical data is missing.

Limited access to information can also make it hard for external stakeholders to determine who is responsible for aid interventions and their outcomes, undermining their ability to hold organizations to

account (Bruckner 2010d). During Operation Assured Delivery, US government officials deliberately provided false information to conceal the Department of Defense's leading role in the 'relief' operation (see Chapter Four). In other cases, stakeholders' uncertainty about who bore responsibility was less the result of deliberate deception than an unintended (though not necessarily unwelcome) consequence of the way the aid system works. Chapter Two argued that NPM-style fragmentation of service delivery at both source and destination makes it hard to pinpoint responsibility for failures and thereby undermines accountability. The empirical data supports this contention. International aid to Georgia in 2008-2009 involved dozens of donors, government agencies and officials, UN bodies, private contractors and NGOs. For example, IDP settlements were jointly funded by two donors and the government, who used multiple channels to fund several construction companies and their sub-contractors, leaving outside stakeholders uncertain about who was responsible for post-construction repairs. Until this day, it remains unclear whether donors, the government or private contractors were responsible for the flawed 'cottage' design (TIG 2010a) that made these repairs necessary in the first place (see Chapter Five). The complexity of aid made it especially difficult for domestic stakeholders with limited capacity to pinpoint responsibility. Even in comparatively clear-cut cases, individual aid recipients in Georgia and potential domestic intermediaries were consistently unable to identify the party (or parties) responsible for aid outputs and outcomes (see Chapter Six). As a result, even in theory, aid recipients were unable to effectively communicate their expectations, let alone oblige providers to manage them.

Aid Accountability to Domestic Stakeholders

Georgian stakeholders outside the executive government communicated few expectations towards aid providers. The theoretical framework argued that accountability is fundamentally reactive. On a micro level, the obligation to manage expectations only arises if and when such expectations have been generated and communicated in the first place. On a macro level, society-wide changes in expectations can have an impact on overall accountability frameworks (see Chapter Two). This makes it imperative to examine the demand side of international aid accountability in Georgia in more detail.

The apparent lack of domestic stakeholder engagement with international aid seems perplexing. For a country of just over four million inhabitants, the USD 4.5 billion assistance package was immense (see Chapter Four). In the short run, international aid staved off a banking collapse; in the medium term, it kept the Georgian economy afloat despite the combined effects of a national post-war slump and the global financial crisis (UN/WB 2010), and contributed to a significant reshaping of some government services (see Chapter Four). IDP policy directly and significantly affected the lives of around 100,000 people living in collective shelters who enjoyed full citizenship and – in the case of adults – the vote (see Chapter Five). Food aid substantially contributed to the livelihoods of tens of thousands of citizens (see Chapter Six). Why did domestic stakeholders generate so few salient expectations? The following paragraphs explore this question with reference to local NGOs, the Georgian media, political stakeholders and the population at large, flagging lack of interest and low capacity as key contributing factors.

Only three local NGOs communicated expectations regarding macro-level aid directly to aid providers (see Chapter Four): TI Georgia, Green Alternative, and the Georgian Young Lawyer's Association (GYLA). There are only few highly capable local NGOs in Georgia, and virtually all of these are concentrated in Tbilisi.[315] Like international NGOs, local NGOs in Georgia are strongly donor-driven. Due to a lack of core financing to cover overheads, local NGOs tend to live from one project to the next, and have little funds and staff time for activities outside narrowly circumscribed project horizons. In addition, Georgian NGOs generally lacked the capacity to meaningfully engage with macro-level aid, which is extremely complex and requires considerable expertise to understand (Bruckner 2010d). Given the turbulent international and domestic political situation at the time, the whole issue simply did not appear on their radar in the first place. The profile of the three NGOs that did try to hold aid providers to account is instructive in this regard. TI Georgia was able to finance its first aid monitoring report from an ongoing policy analysis project, enabling it to devote considerable staff time to aid

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[315] Conversation with Georgian political scientist, Tbilisi, April 2009.

issues despite its lack of core funding.[316] Green Alternative had long been involved in monitoring the social and environmental impacts of big-ticket donor infrastructure projects, and was therefore highly aware of aid issues and had accumulated considerable in-house expertise on donor operations.[317] GYLA is not only an exceptionally strong and capable organization, but is also one of the very few local NGOs in Georgia that is membership-based. With 700 paying members and 100 staff, GYLA is able to engage in advocacy on issues that transcend project horizons.[318] A small non-governmental donor later tried to stimulate more aid monitoring by Georgian NGOs by funding several local nonprofits to implement monitoring projects, but the resulting "Transparent Foreign Aid to Georgia Coalition" never really got off the ground.[319]

In contrast, many local NGOs did subsequently advocate on IDP policy and resettlement, but most of this engagement was strongly donor-driven. The organizations involved had long been funded by donors to undertake IDP-related advocacy and aid implementation, and continued their activities in this sphere in the aftermath of the war. Mostly funded by IDP-focused international aid providers such as UNHCR, DRC and NRC, they invariably echoed their donors' agendas, not least because they lacked the vision and capacity to independently develop coherent policy alternatives. Their involvement enhanced the legitimacy of donor expectations by adding 'local' voices to the international chorus demanding more IDP choice and participation in the resettlement process, but achieved little else. Whether such voices can be regarded as authentically 'local' is beyond the scope of this thesis to explore, as is the question whether organizations that are financially dependent on foreign donors (a category that includes TI Georgia, which derives nearly all its income from donor-financed projects) truly constitute a domestic 'civil society' in any meaningful sense. The fact that not one of the numerous local implementing NGOs working directly with IDPs on the ground in 2008-2009 publicly challenged WFP's distribution of inedible four (see Chapter Six) certainly casts doubt on conventional aid industry models that routinely equate donor-dependent local NGOs with 'civil society'.

Like local NGOs, the Georgian media also largely failed to generate, aggregate and/or communicate expectations towards international aid providers. Adopting a conventional supply-side approach to accountability (see Chapter Two), TI Georgia in autumn 2008 criticized donors for excluding the local media from the JNA process (TIG 2008d). However, the main constraint was on the demand side: the Georgian media was simply not interested in covering macro-level aid issues. Between August 2008 and June 2009, international aid only dominated the media agenda on two days: when President Bush made his dramatic billion-dollar pledge, and on the day of the Brussels donor conference (see Chapter Four). Coverage was short on content as well as limited in scope. For example, the press release accompanying Bush's pledge identified only one aid-dispensing US government agency, the Overseas Private Investment Corporation (OPIC), by name. The billion-dollar headline figure dominated that day's news nationwide, but not a single Georgian media story even mentioned OPIC. The World Bank's release of the edited JNA went entirely unreported, and TI Georgia's subsequent dissemination of a Georgian language analysis of the document only generated very little media coverage despite the JNA's wider political and economic ramifications. Not a single Georgian media outlet produced an independent breakdown or analysis of the JNA's recovery strategy, provided a map of the country's envisioned future road network, or even mentioned its plan to resettle all IDPs within a few years.[320] Thus, the failure of the Georgian media to act as a significant stakeholder (or intermediary for other stakeholders) vis-à-vis international aid providers was to a large extent due to its limited human and financial capacity. Again, this may be a problem of demand more than of supply; while Georgia does have an emerging well-educated middle class, it is so small that quality journalism is not commercially viable, especially as advertising revenues are low. Even among the political elite in Tbilisi, there is little discussion on deeper structural issues.[321]

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[316] See the "Monitoring Georgia's International Commitments" project description on the TI Georgia website: http://www.transparency.ge/en/content/monitoring-georgias-international-commitments-1 (acc. 18 April 2011)
[317] See the "Monitoring of International Financial Institutions" project description on the GA website: http://www.greenalt.org/en_programs2.php?lng=en_ (acc. 18 April 2011)
[318] See the GYLA brochure, available on the GYLA website: http://gyla.ge/files/3/trrs73h858.pdf (acc. 18 April 2011)
[319] See the "NGO Coalition 'Transparent Aid to Georgia'" website: http://www.transparentaid.ge/ (acc. 26 Feb 2011)
[320] TI Georgia staff at the time compiled regular reviews of aid coverage in the national media.
[321] Conversation with Georgian political scientist, Tbilisi, April 2009.

However, low capacity alone does not fully explain the dearth of aid-related coverage. Two additional salient factors were government pressure and a general societal aversion to bad news related to the war. Government pressure partially explains why coverage of the "mushroom villages" and of IDP issues in general was very limited. Especially television was under strong pressure by officials not to report 'bad news' about IDPs, and accordingly did not show footage of IDP protests from August 2008 onwards, or cover construction flaws in the new settlements. Incidentally, the resulting low public profile of the "mushroom villages" in the media served the interest of both the government and its international financiers, neither of whom had anything to gain from the public airing of IDPs' grievances. In addition, media owners often regard their outlets as weapons for use in partisan political battles, and the editors they employ have few incentives to stimulate coverage that does not advance their bosses' political or economic ambitions.

Societal aversion to negative stories about IDPs' fate was also a strong factor in limiting media coverage. Barely buried collective memories of Georgia's darkest days were brought back to the surface in August 2008. After the post-revolutionary surge of optimism (see Chapter One), Georgians were once again confronted by war, displacement, human suffering, and the humiliation of defeat. After the traumatic events of summer 2008, most people simply wanted to forget about the recent past, of which IDPs served as a harrowing reminder. (It is extremely hard to develop a media story about recently displaced people that is not depressing; even when covering good assistance programmes, the backdrop of irretrievable loss and personal trauma precludes a happy ending.) Georgian viewers, listeners and readers wanted good news to help them forget, and many journalists saw it as their task to help to cheer people up.

The failure of the Georgian media to aggregate and communicate expectations towards international aid and to serve as an effective watchdog was thus due to five factors: lack of resources, incompetence, government pressure, self-censorship and lack of popular demand for aid-related coverage. In 2008, donors gathering in Accra pledged to work to increase the capacity of the media in aid recipient countries "to take an active role in dialogue on development policy" (HLF 2008:Point 13b). The Georgian media's complete failure to play such a role in 2008-2009, even with regard to simple and politically quite uncontroversial issues such as food aid (see Chapter Six), strongly suggests that this aim is unrealistic. If the domestic media was unable to increase the accountability of international aid in Georgia, a relatively free country with universal literacy and widespread access to television (see Chapter One), it is hard to see how its counterparts in far more difficult environments such as Chad, Afghanistan or Nepal could possibly succeed. For example, it was the international rather than the local media that was pivotal in raising domestic awareness of the Ethiopian famines of 1973 and 1984 (Gill 2010).

Domestic political stakeholders also rarely formulated expectations, and even when they did so, they proved unable to oblige aid providers to manage them. In the case of the Georgian parliament, such lack of engagement is easily explained. It was – and is – largely a docile rubber stamping body that has little real political power and no interest in challenging the government. In contrast, the extra-parliamentary opposition did try to set out some expectations in an open letter addressed to donors just before the Brussels donor conference. However, the legitimacy of these expectations was somewhat dubious. The democratic credentials and legitimacy of the signatories themselves were debatable, raising doubts whether they spoke for a sizeable portion of the population. The legitimacy of the content of their expectations was also questionable. The demands to impose political conditionalities and abstain from regime strengthening were arguably motivated more by opposition politicians' self-interest than by concerns for the well-being of the population at large. In any case, the opposition was unable to oblige donors to manage its expectations – donors seem to have simply ignored the letter (see Chapter Four). The same pattern prevailed when the Labor Party raised the flour issue at a press conference (see Chapter Five). Its 'monitoring visit' seemed more driven by self-serving publicity-seeking and government-bashing than by a genuine concern for aid recipients,[322] and its expectations appeared to revolve around partisan political issues rather than around aid

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[322] In 2010-2011, following the eviction of IDPs from some shelters in Tbilisi, several opposition politicians joined IDP protests and spoke up in support of IDPs' demands. According to a Tbilisi-based observer familiar with IDP issues, their engagement was not motivated by a genuine concern for IDPs: "The opposition is just using the IDPs" (conversation in Bristol, March 2011).

provision. This undermined the legitimacy of its expectations, which – combined with the party's lack of research and follow-up – enabled aid providers to ignore the episode.

The only[323] formal state structure to publicly formulate expectations related to international aid was the Anti-Crisis Council (ACC), which took up the issue of the inedible flour distributed to IDPs and people in the "Buffer Zone". In this case, low capacity was the main reason why the attempt at account-holding failed, as the ACC failed to identify the World Food Programme as the responsible party, generated expectations that were very vague in content, and then communicated these to the wrong address. Even if the ACC had been more capable, it probably would not have been able to oblige aid providers to meet its expectations, as it had no power to reward or punish the international organizations responsible. Tellingly, if a Georgian actor was found to be responsible, the ACC intended to punish the party by taking it to court; if responsibility was found to rest with an international actor, the ACC merely intended to formally complain.[324] Interestingly, the ACC's low human capacity and lack of hardware suggests that the government was never serious about creating an effective independent oversight body to increase the accountability of international aid towards stakeholders beyond Georgia's executive branch in the first place (see Chapter Six). President Saakashvili's apparently deliberate decision to create such a toothless accountability institution suggests that the conceptual lens of phantom accountability may have explanatory value beyond the confines of the aid industry.

The ACC's weakness can be directly traced back to the executive branch of government; in the case of the "mushroom villages" programme (see Chapter Five), horizontal accountability between different Georgian state structures was also completely absent, but all implementation protagonists were vertically accountable to the president. Domestic political debate in Georgia often seems limited to the sole question of who should occupy the country's highest office. In particular, in late 2008 and early 2009 the extra-parliamentary opposition demanded categorically that the president should step down, refusing to discuss compromise solutions while failing to formulate any policy alternatives. Foreign observers routinely interpret this often all-consuming popular and elite focus on a single personality and concomitant disinterest in constructive criticism or issue-based debate as a sign of the country's political immaturity (and of many opposition politicians' limited intellect). However, in every case examined in this thesis, every single official Georgian step can – directly or indirectly – be traced back to the president, who bore the ultimate responsibility for successes and failures alike. In contrast, formal institutions and policies were largely ephemeral and arguably irrelevant. This suggests that using analytical frameworks derived from the experiences of Western democracies may not be appropriate tools for explaining Georgian politics and government action (see also Bruckner 2009). Incidentally, it also suggests that ordinary Georgians are far more politically astute than the foreign 'experts' who often disparage them. Sadly, the limited scope of this thesis precludes a further exploration of this line of enquiry.

The Georgian citizenry as a whole was also unable to directly oblige aid providers to manage its expectations, as the marked differences between the content of the JNA and popular expectations of aid (TIG 2008f) show. While three local NGOs demanded that donors should take "the major decisions… with due public participation" (TIG/GA/GYLA 2008), they left open how such a process could be conducted in practice. Aid accountability towards Georgian stakeholders was instead mediated through the executive government, whose expectations often differed from those of its electorate (see Chapter Four) or of individual aid recipients (see Chapter Five). While the paternalistic – some might say patronizing – attitude of the Georgian government towards its citizenry often drew criticism from foreign observers, it is worth remembering that the government was arguably the only national entity enjoying significant democratic legitimacy (see Chapter One). Georgia's leaders were elected to represent their citizens, and were therefore arguably entitled to act on the people's behalf without extensive consultation on every single step along the way (see Zakaria 2003 for a fuller exposition of this argument). Even in Georgia's flawed democracy, such mediated accountability was a far cry from complete unaccountability. In contrast, when the government was not acting as an intermediary and representing the population, the accountability of international aid towards Georgian

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[323] The Georgian Ombudsman, a comparatively capable and well-resourced institution, only began actively advocating on behalf of IDPs in late 2009, and therefore falls beyond the scope of this thesis (see Public Defender of Georgia 2010).

[324] Conversation with two ACC staff members, Tbilisi, April 2009.

aid recipients was virtually nil, as the example of bulk food aid shows (see Chapter Six).

The government's attempts to limit media coverage of IDPs' complaints and protests indicates that Georgia's rulers were concerned about discontent at the grassroots level. International aid providers seemed far less worried about how their 'beneficiaries' perceived them. Chapter Four recounted how some IDPs expressed their strong dissatisfaction with military food rations by throwing food parcels at INGO staff involved in food aid distribution. This spontaneous expression of discontent with the services provided by aid agencies was not a one-off incident. For example, when an INGO delivered animal feed to the village of Leri Jvari in the Buffer Zone in March 2009, residents complained that the distribution of 150kg fell short of the previous distribution round, in which 230kg had been provided. Some incensed villages refused to accept the consignment and then followed the INGO vehicle to a neighbouring village, where they unsuccessfully tried to convince their neighbours also to boycott the distribution. Discussing the episode at a Food Security Cluster meeting, the INGO's representative stated that his organization would avoid the troublesome village in future. He declared that "[we] will distribute everywhere except this village. But we can choose another village."[325] Aid recipients – and locals who fail to secure aid for themselves – lack the *power to oblige* aid providers to manage their expectations because they have no way of rewarding or punishing the donors, UN agencies or NGOs who are delivering goods and services to them.

Donors and Phantom Accountability

Who are donors accountable to, and what is the link between donors' accountability and aid effectiveness? Chapter Three argued that donors' implicit belief that there is no trade-off between making aid more accountable to stakeholders in the West and making it more accountable to stakeholders in aid recipient nations is theoretically flawed, as it erroneously presupposes that all stakeholders have a single-minded commitment to the single goal of making aid resources more effective at achieving development. The empirical data from Georgia supports this claim. Various aid stakeholders within the US generated rival and often mutually incompatible expectations of what American aid should achieve, with some prioritizing military goals while others urged a narrow humanitarian focus. Meanwhile, the Georgian government's expectations at times differed from those of its international interlocutors, those of its own citizenry (see Chapter Four), and those of people directly affected by the conflict (see Chapter Five).

Donors' accountability to stakeholders at home can have a direct impact on aid effectiveness. The theoretical framework flagged claims that multilateral donors are more able to take risks because they are less accountable to stakeholders in rich countries (see Chapter Three). The data from Georgia tentatively suggests that this is true. The "mushroom village" programme, which entailed substantial risks of corruption and visible failure due to government-led implementation, a high profile and an incredibly tight timeline, was exclusively supported by multilateral donors (see Chapter Five). To what degree the programme was a development 'success' is debatable, but it certainly did provide much better value for money than a comparable low-risk, ring-fenced donor project with a more conventional timeline would have delivered (see also Bolton 2007). While a single case cannot support sweeping conclusions, it appears that in this instance at least, less accountability to stakeholders in rich countries translated into higher aid effectiveness.

Donors' accountability to stakeholders in Georgia was exclusively mediated through the government. Apart from the central government, no domestic stakeholder had the required combination of inclination, capacity and power that is required to hold aid providers and their programmes to account, despite the fact that Georgia probably presents a best-case scenario for aid accountability (see Chapter One). Therefore, donors' pledge in the Accra Agenda to engage in a "dialogue on development policy" with "parliaments, central and local governments, CSOs [NGOs], research institutes, media and the private sector" (HLF 2008:Point 13b) in recipient countries is completely unrealistic (see also Bruckner 2010d). Even where such interlocutors exist, they are unlikely to be both interested in and capable of engaging in a meaningful dialogue on aid, least of all on the macro level (see Chapter Four). At the same time, direct and unmediated dialogue with – let alone

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[325] Statement by INGO representative at Food Security Cluster meeting, Tbilisi, March 2009. The WFP representative's response is also telling: "We are seeing some mobilization between these villages, though maybe not a positive kind of mobilization."

accountability to – the population at large is impossible in practice. In any case, only the government possessed the *power to oblige* aid providers to manage expectations: host governments sometimes can hold donors to account, but other foreign stakeholders can only hope for *responsiveness*. Therefore, to the extent that donors were accountable to people in Georgia, such accountability was inevitably mediated through the central executive government.

In many cases, increasing donor's accountability to aid recipient governments will reduce aid effectiveness. In Georgia, the government did have some developmental aims, not least because it was not completely unaccountable to its own citizenry (see Chapters One and Five). As a result, donors' accountability to the government may have, in some cases and to some degree, increased aid effectiveness, for example in the case of the "mushroom villages" (see above). However, beyond Georgia, making international aid more accountable to recipient countries would in many cases make aid *less* effective at achieving development. Forced to mediate such accountability through central governments for lack of alternative interlocutors, donors would often find themselves *obliged* to manage unsavoury rulers' expectations of maximizing personal gains at the expense of the poor. This suggests that there may be a direct trade-off between making aid accountable to host governments and making aid responsive to its designated beneficiaries, the poor. Where governments neither represent their people nor have interests in common with the poor, making aid more accountable to rulers is a recipe for developmental disaster – Mobutu's Zaire during the Cold War being a case in point.

Thus, the Paris Declaration's sweeping call for "mutual accountability" (HLF 2005:Point 47) between donors and recipients is severely misguided. More donor accountability to host governments will only increase aid effectiveness if and when local rulers' expectations are broadly aligned with those of their citizens. This is rarely the case in aid recipient countries. The very existence of extensive donor bureaucracies suggests that aid providers and their Western backers believe that foreigners are generally more responsive to the expectations of the poor than are local elites. Otherwise, donor officials could easily work themselves out of their jobs by directly transferring funds into central state budgets from abroad, leaving local officials to contract external expertise when required. Such a move would be nearly universally welcomed by host governments, but probably not by the poor. Even in Georgia, where the ruling elite is less rapacious than in most other aid recipient countries, the population overwhelmingly wanted donors rather than their own elected government to control and manage aid resources (see Chapter Four). Therefore, the "mutual accountability" agenda is an example of phantom accountability. Keen to appear more accountable, donors eagerly embrace the concept on paper; after all, more accountability is widely regarded as a good thing (see Chapter Two). However, in practice, "mutual accountability" will never become reality because accountability is often a zero-sum game. Increasing the accountability of aid to host governments would radically reduce donors' accountability to taxpayers and powerful stakeholders at home (see Chapter Three), hurt the poor (see above), and – last but certainly not least – threaten the organizational survival of the extensive donor and implementer bureaucracies that currently corner a sizeable share of aid flows for themselves (Moyo 2009).

Public commitments to "mutual accountability" serve primarily to hide the reality that donor agencies' accountability is largely limited to managing the internal expectations of their own staff and the external expectations by a wide variety of powerful stakeholders in rich countries. In addition, they serve to maintain the myth that development is an uncontested aim shared by all stakeholders, and hide the true power relationships underlying international aid (see also Ferguson 1990). Ostensibly, the Paris Declaration (HLF 2005) and Accra Agenda (HLF 2008) were developed to increase the transparency and accountability of international aid. In reality, such standards constitute phantom accountability, as they only serve to mask the aid industry's opacity and lack of accountability towards some stakeholders (notably the poor) behind a veil of vacuous feel-good rhetoric. This thesis has consistently argued that both documents are theoretically flawed and contain internal contradictions (see above; also Chapter Three). On a practical level, this may be irrelevant. Foreign stakeholders' general disinterest in abstract aid issues and inability to call donors to account (see above) means that donor headquarters are free to 'commit' themselves on paper without having to fear detection of – let alone punishment for – subsequent violations on the country office level. Signing up to lofty standards thus yields public relations dividends without incurring risks or costs.

A closer look at global aid standards reveals that donors never seriously expected to be held

accountable for subsequent compliance, or indeed punished for noncompliance. Otherwise, they would have hesitated to sign up to standards that are profoundly unrealistic. For example, the Good Humanitarian Donorship initiative's fuzzy rhetoric on the political neutrality of humanitarian action (GHD 2003) directly contradicts the public pronouncements of key donor protagonists, who have repeatedly stated that they regard international aid as a tool of overall foreign policy (see Chapter Three). It is hard to believe that the US official who signed up to GHD expected her nation to abandon its long-standing use of aid as a means to political ends at the stroke of her pen. The United States' "military-humanitarian operation" of August 2008 laid bare GHD's irrelevance as a guide to, or constraint on, donors' actions (see Chapter Four). As GHD designated no stakeholder who could punish states for violations, or reward them for compliance, it is useless as a tool for accountability as defined by this thesis.

Both the Paris Declaration (HLF 2005) and Accra Agenda (HLF 2008) also contain commitments that are impossible to translate into practice:

> "Paris and Accra place demands on donors that are often unrealistic. For example, the commitment to involve a broad range of development partners when formulating development strategies presupposes the existence of local counterparts (such as parliamentarians and NGOs) with a legitimate voice, an interest in macro level aid issues, and the capacity to engage in a very sophisticated high-level dialogue with donors. Even in Georgia, such counterparts barely existed. Also – as in the case of the JNA and IDP settlement construction – time pressures frequently preclude the possibility of such broad consultations." (Bruckner 2010d)

Donors' blanket commitments to aid transparency in these documents are equally unrealistic. If the World Bank had released the data on Georgian banks' external liabilities contained within the JNA in line with such commitments (see Chapter Four), it would have caused a bank run and precipitated a systemic banking sector collapse. This would have been contrary to the expectations and interests of Georgia's poor, the national government, and donors themselves (Bruckner 2010d). In this case, donor compliance with a global standard would have directly led to socio-economic meltdown – the exact opposite of 'development'. Aid to the Georgian banking system in 2008-2009 was effective because some aspects of it remained opaque.

The Paris Declaration and Accra Agenda had little if any discernible impact on donors' actions in Georgia during 2008-2009, with one single exception. In 2009, TI Georgia was able to pressure a reluctant European Commission to publicize the political conditionalities it had attached to its aid package (TIG 2009d) by pointing out that it had committed to doing precisely that in the Accra Agenda (see Chapter Four). Does this exception invalidate the claim that donors' global commitments are prime examples of phantom accountability? The answer is no.

TI Georgia was only able to use the Accra Agenda to hold the European Commission to account due to a highly improbable combination of four factors. First, the commitment in question (HLF 2008:Article 25b) was exceptionally unambiguous and specific, so that a refusal by the Commission to release the data would have constituted a clear breach. Second, releasing the data posed no practical hurdles that could have allowed the Commission's Tbilisi office to argue that compliance was impossible. The combination of these two factors bestowed great legitimacy upon TI Georgia's expectation, as it was limited to demanding that the Commission's country office comply with globally accepted rules that had been explicitly embraced by the donor's own headquarters. Third, there was a local demand for accountability. TI Georgia was a stakeholder that combined an interest in abstract aid issues with the capacity to formulate salient expectations and communicate them to the correct address. Fourth, TI Georgia had the *power to oblige* the European Commission to meet this particular expectation. While TI Georgia was unable to directly reward or punish the donor, it could credibly threaten punishment for non-compliance by bringing the issue to the attention of stakeholders outside Georgia who did wield power over the Commission. (When the Commission finally relented and fully met the expectation, TI Georgia rewarded it by widely disseminating a press release praising the organization for its commitment to aid transparency, and used the occasion to urge other donors to follow suit.[326]) Each of these factors is rare in and of itself. Few global donor commitments are both

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[326] The press release quoted TI Georgia's Executive Director as follows: "We strongly welcome the European

unambiguous and realistic. Domestic stakeholders very rarely generate expectations related to abstract aid issues, and are hardly ever able to punish or reward donor organizations whose capacity and resources vastly exceed their own. (Meanwhile, international stakeholders tend to be unaware of the details of donors' actions in individual aid recipient countries.) Successful substantive account-holding based on the Paris Declaration and the Accra Agenda can only occur if all these factors are present at the same time and in the same place – making it exceedingly unlikely that this phantom accountability bluff will ever be called again.

Furthermore, TI Georgia's *power to oblige* the European Commission did not stem from its (debatable) legitimacy as a (donor-dependent) 'civil society' actor. Instead, the local NGO's ability to punish and reward the donor entirely depended on its ability to mobilize stakeholders *outside* Georgia who did wield power over the Commission. If the accountability landscape had been limited to the domestic stage, the European Commission would not have felt obliged to manage an expectation that it was very reluctant to meet – because no player apart from the government (which presumably also preferred to keep the conditionalities under wraps) had the *power to oblige* it to do so, irrespective of the legitimacy of the claimant or the claim. Thus, classifying the European Commission's action as an example of a donor's "mutual accountability" to stakeholders in aid recipient countries is over-simplistic at best, and at worst may obscure the true power relationships governing international aid.

Finally, the conditionality document itself is an interesting example of the ephemeral nature of paper-based accountability in international aid. Without providing details, the European Commission had announced that the disbursal of its aid – half a billion dollars over three years – would be conditional on democratic 'progress' in Georgia. However, the entire conditionality document was barely two pages long and couched in very vague language. For example, freedom of the media, a perennial concern of donors in Georgia, merited only five words (TIG 2009d). The document did not specify any clear and mutually agreed standards against which the Georgian government may later be held to account. Rather, its sole function was to enable the European Commission to manage the concerns of powerful stakeholders in Europe who were beginning to question the wisdom and appropriateness of rewarding a regime with dubious democratic credentials for starting a war (see Chapter Four; also Hansen 2010).

The mere existence of the document, whose paucity of content was expected to go unnoticed, allowed the Commission to manage such external expectations by arguing that aid funds were being used to encourage (and maybe even guarantee) democratic 'progress' in Georgia. In other words, the main the function of the formal conditionality document was to conceal the fact that no formal conditionalities existed – a classic manifestation of phantom accountability. The key point here is not that the European Commission did not intend to hold the Georgian government accountable for delivering on its promises of democratic reforms; for example, if the street protests of early 2009 (see Chapter Four) had ended in a government-instigated bloodbath, the Commission would very likely have punished Georgia's rulers by reducing or suspending aid. Rather, the key point is that the formal paperwork produced by the donor was completely irrelevant to the future accountability relationship between Brussels and Tbilisi; whatever substantive accountability existed would continue to run along informal lines, hidden from public view.

The Aid Charade

Phantom accountability in international aid is not limited to donors; it also extends to NGOs. This thesis has defined accountability as the obligation to manage the diverse expectations generated inside and outside the organization, and has argued that accountability and power are inextricably linked: while an organization may choose to be responsive to anyone, it can only be said to be accountable towards stakeholders that have the power to reward and/or punish it (see above). Institutional donors are the stakeholders widely thought to wield the greatest power over many[327] relief

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Commission's decision to put its conditions into the public realm. This is a huge step forward for aid transparency in Georgia. The European Commission is sending a loud and clear signal to other donors that giving aid behind closed doors is no longer acceptable here." Referring to the Accra Agenda, she stated that "[i]t is good to see that the European Commission is taking these promises seriously." (TIG 2009d)

[327] The NGO sector is incredibly diverse. Some NGOs refuse to accept funds from institutional donors, or cap the share of such funds in their overall portfolios (see Chapter One). However, in order to be able to make any

and development NGOs, as they provide a large share of their resources (see Chapter One), funding both headquarter operations and – through projects – individual country offices. Formally, donors try to hold NGOs to account on three fronts: market accountability, accountability for performance, and financial accountability. However, while the corresponding mechanisms imposed by donors give an appearance of accountability, they fail to hold NGOs substantively accountable for their cost-effectiveness, outputs and outcomes, or financial probity. The result is phantom accountability, characterized by meaningless paperwork that gives the appearance of accountability while in actual fact working to stymie substantive accountability in practice (see Chapter Three).

Donors' formal accountability requirements impose real costs on NGOs because they force grantees to devote considerable time and resources to compete for projects in skewed marketplaces, undertake monitoring and evaluation exercises of dubious value, and staple together mountains of receipts that often say little about how money was really spent. For example, Chapter Three discussed how a donor required a TI Georgia project keep a fuel log book, and then sent an auditor to check the figures it contained. While this bureaucratic requirement coupled with external verification at first glance seemed designed to prevent and deter the misuse of project funds, the whole paper trail was in fact meaningless as it said nothing about whether fuel was used for project purposes or not. However, donors' requirements for such paper-based (phantom) accountability meant that TI Georgia had to employ two full-time staff (out of a total staff of less than 15 people) whose main task was to satisfy donors' appetite for financial paperwork.

At first glance, this system makes little sense. Donors claim that they are holding NGOs accountable for their success in achieving the shared goal of 'development'. Why then do they not use their power to impose an accountability system that enables them to distinguish between successes and failures in NGO projects, rather than perpetuating a costly system of phantom accountability that rubberstamps virtually every NGO project as a success irrespective of realities on the ground?

According to the theoretical framework adopted by this thesis, institutional donors have the *power to oblige* NGOs to manage their expectations. Donors can reward and punish NGOs to a remarkable degree by granting or withholding funds (see Chapter One). However, donors do not use this power to oblige non-profits to achieve 'development' as cheaply, effectively and honestly as possible. This suggests that 'development' is not the exclusive or even dominant donor expectation that NGOs are required to manage. Rather, institutional donors use the current aid system to oblige NGOs to prioritize managing an expectation generated from *within* donor bureaucracies: to legitimize and increase the resources allocated to foreign aid (see also Chapter Three). In order to meet this expectation, NGOs dutifully produce paperwork and publicity material that is custom-designed to "produce comfort" (Power 1997) by constructing a narrative that presents every single development intervention as a resounding success in terms of value for money, positive impact on 'beneficiaries', and financial probity. From NGOs upwards, everybody in the vertical accountability chain benefits from this aid charade: NGOs secure their organizational survival and growth, individual donor officials in country offices maintain their careers (and avoid career-threatening corruption enquiries), and donor headquarters secure a continuous stream of public money. Even those at the bottom of the pile reap some benefits. The designated 'beneficiaries' of NGO projects may not receive much in the way of useful high-quality services, but without the aid charade, they might not get anything at all. Consider the conflict-affected Georgians who received the World Food Programme's low-gluten flour (see Chapter Six): while their food aid was useless for personal consumption, at least they got some pig feed for free.

The great losers of the aid charade are its target audience, the citizens of donor countries. As voters and taxpayers, they are nominally the ultimate principals in international aid, with publicly funded donor agencies acting as agents on their behalf. In theory, citizens through their political representatives wield huge power over government bureaucracies, including donor agencies, as they can set policy priorities and allocate funds. In practice, donors with the active collusion of NGOs deliberately and successfully use phantom transparency and phantom accountability to undermine

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observations about NGOs as a group, some generalizations must be made. These generalizations are based on the leading players in the field: large international NGOs enjoying considerable donor support. While not typical of the sector as a whole, these large players occupy a central role in the aid system, and manage a substantial share of aid flows channelled through NGOs.

this power. As a result, citizens and parliamentarians are not only unable to oblige donors to manage their expectations, they are also kept ignorant of their own lack of information and control. Normal democratic feedback loops are inoperative, as citizens are unable to verify the information – or, rather, propaganda – they receive through first-hand experience of the services they pay for: a domestic health initiative that fails will attract citizens' ire, garner media attention and ultimately have an electoral impact, leading to a reassertion of political control; in contrast, a health initiative that fails thousands of miles away can be declared a 'development' success without fear of detection. This insulation from citizens' direct and indirect (political) oversight frees donors from the obligation to manage their main stakeholders' expectations, removing the potentially greatest countervailing force to the rival expectations generated internally by aid officials.

Accountability traditionally served two purposes: limiting abuses of power and curbing corruption (see Chapter One). The "new accountability" added a further purpose, that of improving the responsiveness, quality and cost-effectiveness of public services (see Chapter Two). The current accountability relationships in international aid fail on all three fronts: aid providers can abuse their power with impunity (see Chapter Six), corruption remains undetected (see Chapter Three), and the quality of services provided is often low (see Chapters Four, Five and Six). However, contrary to what many scholars claim, this does not mean that the aid industry is unaccountable. Rather, it evades accountability to external stakeholders in order to free its hands to manage the expectations of its internal stakeholders: aid industry employees themselves (Moyo 2009). Whether donor bureaucrats or NGO staffers, these actors enjoy a degree of freedom of oversight, personal discretion and even impunity that is probably unrivalled in democratic states' public services (Bolton 2007). Therefore, the central puzzle of international aid is not why aid is so often ineffective at achieving 'development'; rather, the puzzle is why, sometimes and seemingly against all odds, aid does succeed. The answer should be sought in the diverse expectations of the individuals working within the industry: while some pursue self-regarding goals, many others of their own volition pursue goals that are closely aligned with the expectations of the poor.

Rethinking International Aid

The introductory chapter of this thesis discussed three main strands of thinking about international development: mainstream, radical-critical, and organizational. The mainstream view, promulgated by the aid industry itself, is that 'development' is an uncontested goal shared by mankind as a whole and is pursued by donor organizations, NGOs and host governments alike. The radical-critical interpretation holds that the aid industry primarily serves a global capitalist agenda, perpetuating unfair political and economic relationships while concealing the true power relationships that cause poverty and inequality in the first place. The organizational approach claims that different actors frequently pursue divergent interests, many of them self-regarding, while masking the resultant conflicts with a unified development discourse based on a veneer of common interests (see Chapter One).

The empirical findings of this thesis strongly suggest that the mainstream interpretation of international aid is erroneous. In many cases, the actors involved in aid and development processes in Georgia had widely divergent goals, some of which had nothing to do with achieving 'development' (see especially Chapter Four). However, the empirical data does not permit a definitive conclusion regarding the radical-critical and organizational approaches. The radical-critical approach is overly structuralist and leaves insufficient latitude for agency. International aid to Georgia in 2008-2009 was certainly geared towards shoring up a capitalist, pro-Western regime, and the bailing out of Georgian banks and huge allocations for major infrastructure bear all the hallmarks of a global capitalist project (see Chapters Four and Five). However, while NGOs as a whole may have become more responsive to institutional donors' agendas (see Chapter Four), regarding them as passive extensions of donor bureaucracies is misguided, as oversight and control are weak (see also Chapter Three) and donors in practice seem to have little idea of what NGOs are actually doing with their resources on the ground (see Chapter Six). The data from Georgia seems to lend most credence to an organizational approach to international aid. Throughout 2008-2009, donors, NGOs and the government all actively pursued their own organizational interests, and aid industry actors used phantom accountability to retain maximum freedom to pursue their own goals (see Chapters Four, Five and Six). However, by tending to ascribe only self-regarding motivations to all actors involved, the organizational approach fails to explain why 'development' sometimes does work. In particular, it fails to explain why some

NGOs in Georgia consented to distribute military rations, while others evidently refused to do so (see Chapter Four), in apparent disregard for organizational imperatives of survival and growth.

This highlights a key weakness of much current theorizing about international aid: the tendency of scholars to make sweeping theoretical claims without sufficient – and sufficiently balanced – empirical evidence (see also Chapter One). Future research into international aid needs to complement structural theorizing with agent-centred approaches at the lowest level of analysis: that of the human individual. This thesis has followed a conventional agent-centred approach, in which organizations reified as unitary rational actors are the smallest ontological unit. As noted above, this approach does not and cannot explain why some NGOs, despite very similar structural incentives and constraints, and despite apparently identical organizational self-interests, at times acted completely differently from each other. This conclusion has highlighted that phantom transparency and phantom accountability increases the latitude for action not only of aid agencies as a whole, but also of the individuals working within them. These individuals, being people, have widely divergent and often contradictory interests and expectations. People involved with international aid – donor officials, UN employees, NGO workers, and host country politicians – do not act like unreflective automatons remote-controlled by some global capitalist cabal, if only because phantom transparency and phantom accountability limit the possible extent of centralized control. However, they certainly do not uniformly pursue either 'development' or narrow self-regarding organizational interests to the exclusion of all other goals either.

Given the lack of external accountability and the resulting latitude for individual (as well as organizational) agency in international aid, future theorizing on international aid would strongly benefit from an empirically grounded research programme that explores the interests and expectations of individuals involved with the aid industry, and then examines to what extent individual action within the aid system can shape aid processes and outcomes.

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